

By Mr. KRAUS: A bill (H. R. 15000) to extend the benefits of the naval appropriation act of June 4, 1920, to chief pharmacists and pharmacists of the United States Navy; to the Committee on Naval Affairs.

By Mr. LUFKIN: A bill (H. R. 15610) for the establishment of marine schools, and for other purposes; to the Committee on Naval Affairs.

By Mr. McPHERSON: A bill (H. R. 15611) to establish the grades of pay clerk, chief marine gunner, chief quartermaster clerk, and chief pay clerk in the United States Marine Corps; to the Committee on Naval Affairs.

By Mr. DARROW: A bill (H. R. 15612) to provide for the retirement of certain officers of the United States Marine Corps on account of disability contracted in line of duty; to the Committee on Naval Affairs.

By Mr. PETERS: A bill (H. R. 15613) to recover the value of public property lost by persons in the naval service through abuse or negligence; to the Committee on Naval Affairs.

By Mr. LUFKIN: A bill (H. R. 15614) to authorize the President of the United States to classify and name the vessels of the Navy; to the Committee on Naval Affairs.

By Mr. SUMNERS of Texas: A bill (H. R. 15615) authorizing and directing the Secretary of Agriculture to establish a farm-produce exchange, and for other purposes; to the Committee on Agriculture.

By Mr. VAILE: A bill (H. R. 15616) for the relief of volunteer officers and soldiers who served in the Philippine Islands beyond the period of their enlistment; to the Committee on Military Affairs.

By Mr. LEHLBACH: Resolution (H. Res. 638) providing for a janitor to the Committee on Reform in the Civil Service at \$720 per annum; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAMPBELL of Kansas: A bill (H. R. 15617) to correct the military record of Alonzo Rich; to the Committee on Military Affairs.

By Mr. CARSS: A bill (H. R. 15618) granting an increase of pension to Charles N. Ashford; to the Committee on Invalid Pensions.

By Mr. COLE: A bill (H. R. 15619) granting a pension to Lida Haskell; to the Committee on Invalid Pensions.

By Mr. FORDNEY: A bill (H. R. 15620) granting a pension to Jetora E. Anderson; to the Committee on Invalid Pensions.

By Mr. HILL: A bill (H. R. 15621) granting an increase of pension to Alice M. Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15622) granting a pension to Nelson H. Henry; to the Committee on Invalid Pensions.

By Mr. KELLEY of Michigan: A bill (H. R. 15623) granting a pension to Mary Marshall; to the Committee on Invalid Pensions.

By Mr. McDUFFIE: A bill (H. R. 15624) for the relief of J. E. Hendrix; to the Committee on Claims.

By Mr. RAMSEYER: A bill (H. R. 15625) granting a pension to Susan E. Allgood; to the Committee on Invalid Pensions.

By Mr. RICKETTS: A bill (H. R. 15626) granting a pension to Sarah Barnett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15627) granting a pension to Tillie Parkhurst; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 15628) granting a pension to Lizzie J. Levensaler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15629) granting a pension to Annie T. Lamarche; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15630) granting an increase of pension to Amanda M. Bailey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15631) granting a pension to Selden E. Brann; to the Committee on Invalid Pensions.

By Mr. WINSLOW: A bill (H. R. 15632) granting an increase of pension to Josiah B. Hall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 15633) granting a pension to Emily D. Mitchell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4882. By the SPEAKER (by request): Petition of American Association of State Highway Officials, of Richmond, Va., favoring the McArthur bill (H. R. 14905); to the Committee on Roads,

4883. By Mr. DARROW: Petition of Presbyterian Ministerial Association of Philadelphia, Pa., urging legislation to prohibit importation of morphia and exportation of opium, etc.; to the Committee on Interstate and Foreign Commerce.

4884. Also, petition of National Association of Purchasing Agents, advocating legislation against commercial bribery; to the Committee on Interstate and Foreign Commerce.

4885. By Mr. JOHNSON of Washington: Petition of citizens of Tacoma Wash., favoring the Sheppard-Towner bill (H. R. 10925); to the Committee on Interstate and Foreign Commerce.

4886. By Mr. MOONEY: Petition of Gerber Camp, No. 88, Department of Ohio, United Spanish War Veterans, urging the appointment of Frederick A. Royse as Deputy Commissioner of Pensions; to the Committee on Pensions.

4887. By Mr. MORIN: Petition of American Flexible Bolt Co., Union Steel Casting Co., the McConway & Torley Co., and Robert H. Blackall, all of Pittsburgh, Pa., urging legislation which will direct the Treasury Department to honor Interstate Commerce Commission partial-payment certificates; to the Committee on Interstate and Foreign Commerce.

4888. By Mr. O'CONNELL: Petition of D. Nusbaum & Co., of New York, urging the Federal daylight-saving law; to the Committee on Interstate and Foreign Commerce.

4889. Also, petition of Civitas Club, of Brooklyn, N. Y., favoring the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4890. Also, petition of New York organization of the American Legion, New York City, protesting against the proposed Sunday blue laws; to the Committee on Interstate and Foreign Commerce.

4891. By Mr. OSBORNE: Memorial of Society Sons of the Revolution in the State of California, opposed to lessening the defensive branches of the fighting forces of the United States; to the Committee on Military Affairs.

4892. By Mr. HENRY T. RAINEY: Petition of war risk insurance patients in San Angelo Sanatorium, protesting against treatment received and favoring the law providing for home treatment; to the Committee on Interstate and Foreign Commerce.

4893. Also, petition of president and faculty of Illinois College, to amend water power act so that it will not apply to our national parks, and to defeat the Fall River Basin bill, the bill for the privilege of damming the Yellowstone Lake, and all other bills of similar purpose affecting any of our national parks should they be introduced; to the Select Committee on Water Power.

SENATE.

MONDAY, January 10, 1921.

Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for the sanctities of yesterday. Grant that the spirit of those sanctities may be carried through the week with its responsibilities and privileges. And so help us live that even the commonplaces of life become very sanctuaries of fellowship with Thyself, enabling us to do better service, to the glory of Thy name. Amen.

LAWRENCE Y. SHERMAN, a Senator from the State of Illinois, appeared in his seat to-day.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day, Thursday, January 6, 1921, when, on request of Mr. CURTIS, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

COUNTRY GRAIN MARKETING.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, a report on country grain marketing, being volume 1 of the commission's report on country grain marketing, which was referred to the Committee on Agriculture and Forestry.

LUMBER ASSOCIATIONS.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to law, data in re lumber associations, which was referred to the Select Committee on Housing and Reconstruction.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a schedule of useless papers devoid of historic interest accumulated in the files of the department and asking for action look-

ing to their disposition, which was referred to a Joint Select Committee on Disposition of Useless Papers in the Executive Departments, the members on the part of the Senate to be selected by the Chair. The Vice President appointed Mr. WALSH of Montana and Mr. FRANCE members of the committee on the part of the Senate, and directed the Secretary of the Senate to notify the House of Representatives thereof.

CREDENTIALS.

Mr. TRAMMELL. Mr. President, I present the credentials of my colleague, Mr. FLETCHER, elected a Senator for the term beginning March 4, 1921. I ask that the credentials may be read and placed on file.

The credentials were read and ordered to be filed, as follows:
To the President of the Senate of the United States:

This is to certify that on the 2d day of November, 1920, DUNCAN U. FLETCHER was duly chosen by the qualified electors of the State of Florida a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1921.

Witness his excellency our governor, Cary A. Hardee, and our seal hereto affixed at Tallahassee, this the 5th day of January, A. D. 1921.

[SEAL.]

By the governor:

CARY A. HARDEE, Governor.

A. J. CLAY CRAWFORD,
Secretary of State.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (H. R. 15441) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1922, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 36) directing the Secretary of the Senate to transmit to the President a duplicate copy of the enrolled joint resolution (S. J. Res. 191) to create a joint committee on the reorganization of the administrative branch of the Government.

The message further announced that the House had passed the joint resolution (S. J. Res. 237) to enable the Secretary of the Senate and Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States on March 4, 1921.

HOUSE BILL REFERRED.

The bill (H. R. 15441) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1922, and for other purposes, was read twice by its title and referred to the Committee on Post Offices and Post Roads.

PETITIONS AND MEMORIALS.

Mr. MYERS presented a resolution adopted by the Lewistown Chamber of Commerce, of Lewistown, Mont., in favor of the enactment of legislation providing for a 1-cent drop-letter postage in cities, towns, and rural routes, which was referred to the Committee on Post Offices and Post Roads.

Mr. McCUMBER presented a resolution adopted by the Commercial Club, of Larimore, N. Dak., in favor of the enactment of legislation to extend credit to farmers, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Rotary Club of Devils Lake, N. Dak., in favor of the enactment of legislation to extend credit to the Central Powers, which was referred to the Committee on Finance.

Mr. SHEPPARD presented a resolution adopted by the board of directors of the Chamber of Commerce of Laredo, Tex., favoring the passage of the emergency tariff bill, which was referred to the Committee on Finance.

Mr. CURTIS presented resolutions adopted by the Chamber of Commerce of Arkansas City, Kans., and the Chamber of Commerce of Newkirk, Okla., in favor of the enactment of legislation appropriating sufficient funds for necessary buildings to accommodate more children in the Indian school on the Chilocco Reservation, Okla., which were referred to the Committee on Indian Affairs.

Mr. CAPPER presented a petition of the Grasshopper Local, No. 930, Farmers' Educational and Cooperative Union of America, of Galva, Kans., praying for the enactment of legislation to prohibit gambling in food and grain products, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the Parsons Chamber of Commerce, of Parsons, Kans., favoring continuation of Federal aid in the building of permanent highways in the several States, and opposing the construction of a national system of highways, which was referred to the Committee on Post Offices and Post Roads.

Mr. HENDERSON. Mr. President, I present a telegram from the secretary of the Nevada Livestock Association informing me of the meeting of the convention of stock growers and ranchers held in Nevada, unanimously adopting a resolution strongly urging action on the Fordney bill. I also present a letter from the secretary of that association setting forth the serious conditions confronting the live-stock men of Nevada, and also a copy of a resolution adopted by the Range Stockgrowers Association at Salt Lake City, Utah. I move that the telegram, resolutions, and letter be referred to the Committee on Finance.

The motion was agreed to.

REPORTS OF COMMITTEES.

Mr. NELSON, from the Committee on the Judiciary, to which was referred the bill (S. 4516) providing for the appointment of an additional district judge for the southern judicial district of the State of West Virginia, reported it without amendment and submitted a report (No. 678) thereon.

Mr. CURTIS, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6221) conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in the Osage civilization-fund claim of the Osage Nation of Indians against the United States, reported it without amendment, and submitted a report (No. 679) thereon.

Mr. FLETCHER, from the Committee on Military Affairs, to which was referred the bill (S. 4284) to correct the military record of Alfred Clark, submitted an adverse report thereon, and moved that the bill be postponed indefinitely, which was agreed to.

LAKE ST. CROIX BRIDGE.

Mr. CALDER. I report back favorably from the Committee on Commerce with an amendment the bill (S. 4737) granting the consent of Congress to the Prescott Bridge Co. to construct a bridge across Lake St. Croix at or near the city of Prescott in the State of Wisconsin, and I submit a report (No. 681) thereon. I ask for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole.

The amendment was, on page 1, line 3, after the word "That," to strike out the words "the consent of Congress" and insert the word "authority," so as to make the bill read:

Be it enacted, etc., That authority is hereby granted to the Prescott Bridge Co., a corporation organized under the laws of the State of Wisconsin, and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Lake St. Croix at a point suitable to the interests of navigation, at or near the city of Prescott, in the county of Pierce and State of Wisconsin, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.
SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Prescott Bridge Co. to construct a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin."

MOBILE BAY BRIDGE.

Mr. CALDER. I report back favorably from the Committee on Commerce with amendments the bill (S. 4603) extending the time for the commencement and completion of the bridge or bridges authorized by an act entitled "An act to authorize the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, to construct a bridge over and across the headwaters of Mobile Bay and such navigable channels as are between the east side of the bay and Blakely Island, in Baldwin and Mobile Counties, Alabama," approved October 5, 1917, and I submit a report (No. 680) thereon. I ask for the present consideration of the bill.

There being no objection the bill was considered as in Committee of the Whole.

The amendment were, on page 1, line 3, after the words "That the," to strike out the words "time for the commencement and completion of the bridge or bridges authorized by the act entitled 'An act to authorize'" and insert "Act approved October 5, 1917, authorizing"; and in line 7, after the word "construct," to strike out the remainder of the bill and insert the following:

Operate and maintain a bridge or bridges and trestles over and across the navigable channels of the mouth of Mobile River from Bay Port, in township 4 south, range 2 east, on the east shore of the waters of Mobile Bay, in Baldwin County, Ala., on a direct line, to a point on Blakely Island, in Mobile County, on the east shore of Mobile River, opposite the municipal docks of the city of Mobile, Ala., at a point or points suitable to the interests of navigation, be, and the same

is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge or bridges and trestles herein authorized be commenced within one year and completed within three years from the date of approval hereof.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

So as to make the bill read:

Be it enacted, etc., That the act approved October 5, 1917, authorizing the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, to construct, operate, and maintain a bridge or bridges and trestles over and across the navigable channels, etc.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to revive and reenact the act entitled 'An act to authorize the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, to construct a bridge over and across the headwaters of Mobile Bay and such navigable channels as are between the east side of the bay and Blakely Island, in Baldwin and Mobile Counties, Ala.,' approved October 5, 1917."

BILLS AND JOINT RESOLUTIONS.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 4811) for the relief of Mrs. Theodore Sharp (with accompanying papers); to the Committee on Claims.

By Mr. TRAMMELL:

A bill (S. 4812) to require a reduction in rates charged by common carriers and to amend section 15a, paragraph 3, of the interstate commerce act; to the Committee on Interstate Commerce.

By Mr. SHERMAN:

A bill (S. 4813) granting a pension to Lucy L. Boucher; and A bill (S. 4814) granting an increase of pension to Margaret Bockstruck; to the Committee on Pensions.

By Mr. STANLEY:

A bill (S. 4815) granting a pension to George T. Cooney (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 4816) to regulate the employment of minors and to provide for compulsory school attendance of children within the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. LA FOLLETTE:

A joint resolution (S. J. Res. 243) restraining all further steps looking to allotment of lands or any further disposition of tribal property within the Lac du Flambeau Reservation, in the State of Wisconsin, until further revision of the tribal roll; to the Committee on Indian Affairs.

AMENDMENTS TO EMERGENCY TARIFF BILL.

Mr. HARRISON. I submit an amendment and ask that it be referred to the Committee on Finance, to include the bonus bill, which passed the House as an amendment to House bill 15275, the emergency tariff bill; also another amendment to the same bill creating agricultural joint-stock banks; and another amendment appropriating \$50,000,000 for reclamation work in the West.

I move that the proposed amendments be referred to the Committee on Finance.

The motion was agreed to.

AMENDMENTS TO SUNDRY CIVIL APPROPRIATION BILL.

Mr. FLETCHER submitted an amendment proposing to appropriate \$110,000 for the completion of the marine biological station at Key West, Fla., including the construction of buildings, purchase and installation of equipment, and improvement and protection of grounds, intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. SIMMONS submitted an amendment proposing to appropriate \$6,924,350 for additional expenses incurred in the operation of boats, barges, tugs, and other transportation facilities necessary to develop the inland, canal, and coastwise waterways of the United States, etc., intended to be proposed by him to the sundry civil appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

AMENDMENTS TO ATMOSPHERIC NITROGEN BILL.

Mr. LENROOT submitted nine amendments intended to be proposed by him to the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of

the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes, which were ordered to lie on the table and be printed.

Mr. HARRIS submitted an amendment as a substitute for the amendment proposed by the Senator from South Carolina [Mr. SMITH], intended to be proposed by him to the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes, which was ordered to lie on the table and be printed.

Mr. SMITH of South Carolina submitted an amendment intended to be proposed by him to the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes, which was ordered to lie on the table and be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Sharkey, one of his secretaries, announced that the president had approved and signed bills of the following titles:

On January 8, 1921:

S. J. Res. 227. Joint resolution extending the time within which the special joint committee appointed to investigate the advisability of establishing certain naval, aviation, and submarine bases in the United States is required to make its report to Congress; and

S. 390. An act for the relief of Peter McKay.

On January 9, 1921:

S. 2371. An act for the relief of Kathryn Walker.

COUNT OF ELECTORAL VOTES.

Mr. DILLINGHAM submitted the following concurrent resolution (S. Con. Res. 38) which was read, considered by unanimous consent, and agreed to:

Resolved by the Senate (the House of Representatives concurring). That the two Houses of Congress shall assemble in the Hall of the House of Representatives on Wednesday, the 9th day of February, 1921, at 1 o'clock in the afternoon, pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their presiding officer; that two tellers shall be previously appointed by the Vice President on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed, as they are opened by the President of the Senate, all the certificates and papers purporting to be certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter A; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in manner and according to the rules by law provided, the result of same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

INAUGURAL EXPENSES.

Mr. BORAH. I submit a concurrent resolution and ask for its immediate consideration.

The concurrent resolution (S. Con. Res. 37) was read, as follows:

Whereas, according to a survey of the industrial situation lately made, there are at present out of employment in the United States 2,325,000 workers, many of whose families are now in great need; and Whereas we are advised by the presence of a resolution now before a committee of this body that there are 3,500,000 children in Europe on the verge of starvation and must die for the want of clothes and food unless saved by the charity of the people of the United States; and Whereas we are now carrying a fixed debt of \$24,000,000,000 and meeting current expenditures to the amount of about \$4,000,000,000 per annum, with a deficit of nearly \$2,000,000,000 confronting us; and Whereas the business of the country has advised us that it will be very difficult for business to meet the coming installment of taxes; and Whereas the party now in charge of the legislative department of the Government and soon to be in charge of all the departments pledged the people of this country in the last campaign that not one dollar should be appropriated from the Treasury of the United States except when absolutely necessary to meet the unavoidable expenses of the Government; and Whereas in the face of these burdens and sufferings, and in defiance of these pledges, and in the midst of great distress everywhere about us, it is proposed to provide for the most costly, the most expensive and ostentatious presidential inauguration upon the 4th of March, 1921, ever occurring in the history of this or any other country, thus drawing upon the Federal and State treasuries for hundreds of thousands of dollars, which the people in the end must pay; and

Whereas it is proposed further to throw open certain public buildings and interrupt public business to the detriment and cost of the Government and the people of this country; and
Whereas we have already provided, so far as this body is concerned, for an expenditure of \$50,000; and
Whereas it is now proposed to appropriate other and further large sums of money: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),
1. That no other or further sums of money than that already provided for shall be appropriated from the Treasury of the United States to meet any of the expenses of the inauguration of March 4, 1921.
2. That no public buildings be vacated, or that public business be in any wise interrupted to enable the holding of an inaugural ball.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

Mr. SMOOT. I ask the Senator from Idaho if he will not let it go over until to-morrow?

Mr. BORAH. I ask, then, that it may lie on the table until to-morrow.

Mr. NORRIS. I wish to offer an amendment to the concurrent resolution, and the amendment will, of course, go over with the resolution. I should like to have the Secretary read the amendment.

The VICE PRESIDENT. It will be read.

The READING CLERK. Add to the concurrent resolution the following:

Resolved further, That the Secretaries of the Navy and Army are hereby notified that no appropriations will be made by Congress for the transportation or maintenance of bodies of troops or cadets of the Army or midshipmen of the Navy for participation in said inaugural ceremonies.

The VICE PRESIDENT. The concurrent resolution will go over.

EX-GERMAN PASSENGER VESSELS.

Mr. CALDER. Mr. President, about eight months ago the Shipping Board entered into a contract with a newly organized shipping concern, which is known as the United States Mail Steamship Co., for the purchase by that company from the Shipping Board of certain ex-German passenger vessels which had been used by our Government for transport purposes during the war. Those ships were sold to the United States Mail Steamship Co. at approximately 8 per cent cash, subsequent payments to be carried over a period of years, the money therefor to be obtained from the profits of the operation of the vessels. Those ex-German ships are still tied up at the docks in New York because of the necessity of rebuilding and reconditioning. I have in my hand two newspaper articles which indicate that it is the purpose of the Mail Steamship Co. to have those ships reconditioned in German shipyards. I offer a resolution of inquiry addressed to the Shipping Board to ascertain if that is the fact. I ask that the resolution may be read, and then I shall ask for unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution will be read.

The reading clerk read the resolution (S. Res. 421), as follows:

Resolved, That the United States Shipping Board is hereby directed to furnish to the Senate as soon as possible the following information:

1. Do the terms of the allocation agreement between the United States Shipping Board and the United States Mail Steamship Co., covering, with purchase provisions, certain ships formerly owned in whole or in part by corporations, citizens or subjects of nations with which the United States is at war, permit of the reconditioning of such ships in other than American shipyards?

2. Is it the policy of the United States Shipping Board to permit the reconditioning in foreign shipyards of any ships allocated with purchase provisions?

Mr. CALDER. I ask unanimous consent for the present consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

AGRICULTURAL AND INDUSTRIAL CONDITIONS.

Mr. SMITH of South Carolina. I am in receipt of a letter from a constituent of mine in reference to the present condition of affairs in the country. I ask to have the communication printed in the Record without reading. Of course, if there is objection made to that, I shall take the time of the Senate to read the communication, which, however, is very short. I ask the privilege of having it printed in the Record.

Mr. SMOOT. I can not let the communication go into the Record without objection. I have no objection, however, to the Senator from South Carolina reading the communication, if he desires to do so.

Mr. SMITH of South Carolina. Then I shall read the letter, because the writer is very much in earnest. The letter is as follows:

THE FARMERS LOAN & TRUST CO.,
Bishopville, S. C., December 15, 1920.

Senator E. D. SMITH,
Washington, D. C.

DEAR SENATOR: We are in an infernal fix down here. We are getting what's coming to us before time. Saint and sinner are squirming. Man never did need but one thing at a time. Once it was time, or

rather length of days; once it was preservation of the body after death; once it was burial in one's own country; once it was orders of the church; once it was physical strength; once it was to worship God as one selected; once it was to be free and to own one's country; once, in the South at least, it was to own a slave. Now it is to have money in one's pocket.

When the main and supreme desire of the human heart is withheld, then that individual is already in hell. They say down here that when the Government needed us it took us, while now we need the Government and it is nowhere to be found, and the question naturally arises, "What is the use of such a one-sided affair?"

When the debt of thirty billions was contracted our cotton was selling for \$600 per bale. This fall the same cotton has sold for \$30 per bale. If we had to pay the thirty billions now it would require an amount of cotton that would have sold for six hundred billions one year ago. That is called by the bankers "adjustment." And so adjustment means a reduction of the ability of the debtor to pay. Hence slavery follows. Nothing has yet been said of scaling debts, but always scaling the ability of the debtor to pay. No man ever enters a contract to pay unless he has faith in his Government to sustain him and see him through.

Our faith has been misplaced. We can do nothing for ourselves. The Constitution forbids. Can we presume to diagnose our own case? We want the discount on silver exchange abolished. If we could trade direct with silver-using countries, cotton would steadily sell for 25 cents per pound, and the people of the North would have to work night and day to supply our needs and our wants. As long as we remain as we are, the North must be content to dwell in the bread line.

Ask any exporter about the immense export trade there was with China and India while silver was at \$1.40 an ounce. It is so much easier to reinstate silver than to undertake the plan to standardize money in Europe.

Let me say that the degradation of silver was influenced only as a policy by a selfish clique, and there was no principle involved in its demonetization. The Constitution expected us, by using both silver and gold, to be free to trade east or west, north or south, as far as people dwelt. And when we rejected silver the area of trade was circumscribed to that extent. Hence suffocation commenced, and the World War followed; otherwise Europe and America combined never could have supplied the needs of the world. If we stick to gold alone, many nations will be starved into impotence, and the few survivors will again have to fight for their commercial lives.

W. A. JAMES.

DISTRICT HOTEL CHARGES DURING INAUGURAL CEREMONIES.

Mr. SHERMAN. I submit the resolution which I send to the desk, and ask that it be read and referred to the Committee on the District of Columbia.

The resolution (S. Res. 420) was read as follows:

Resolved, That the Committee on the District of Columbia of the Senate be, and is hereby, directed to investigate and report charges demanded or to be made by the hotels of the city of Washington during the inaugural ceremonies to be held in March, 1921.

Mr. SHERMAN. Mr. President, if the Senate will indulge me for a moment, I ask unanimous consent to submit a few remarks on the resolution submitted by me.

The concurrent resolution read a while ago and presented by the Senator from Idaho [Mr. BORAH], which deals with appropriations contemplated for inaugural purposes, ought to go along with the resolution I have just submitted. The Government, by the appropriations it provides, by the use of its public buildings, and by other methods, including the granting of permits for the building of grandstands along Pennsylvania Avenue and other places of public interest, draws a very large number of people from various quarters of the United States to the city of Washington during the inaugural ceremonies. The Government thereby becomes a dummy or a decoy or a stool pigeon for the purpose of attracting a large number of people here in order that they may be plundered by various occupations in the city of Washington, notably by the hotels.

During the last national convention held in the city of Chicago the Congress Hotel charged \$25 for the entire convention. The space afforded for that charge was ample, the ventilation, light, elevator service, and other accommodations were as good as at any place in the United States. For less space, for poorer accommodations, for no fire escapes, for no waiter, messenger, or other service, except the hand of the servitor is out behind his back more than it is in front for the performance of the service, for much less valuable service and accommodation in every way the hotels of Washington are now demanding \$50, or double what was charged in Chicago during the last Republican national convention. I offer this by way of comparison to show that the money contemplated to be appropriated for inaugural purposes ought not one dollar of it to be taken out of the Public Treasury until at least there is some reformation in the matter of charges.

Extortion on the occasion of the inauguration has ceased to be a matter of individual practice and has become District and city wide. Everybody who comes here expects to be plundered to some extent, but he does hope to have enough loose change left over to get back home without walking. It is very doubtful, however, under present conditions whether that will be possible. Before the 1st day of January one could not make a reservation in any hotel in the city of Washington. Efforts were made along that line, but not only could no reservations be made but no information could be secured as to what the charges would be.

There is more lawbreaking in the District of Columbia under the nose of a beneficent Government than there is in any other quarter of the United States. This morning the press reports carried the pleasing information for those who love to justify manslaughter that there are more murders in the District of Columbia in 12 months than there are in the entire country of Scotland in the Old World. The antitrust laws of this country have long been set at defiance right in the District of Columbia. No laws are enforced here. During the war profiteering was more rampant in the city of Washington than in any place in North America. It has grown to be a jest and a by-word that the Government can not regulate its own Capital.

Mr. President, I venture the assertion that the charges for those who come to view this inaugural will be more extortionate on and prior to March 4 and a few days afterwards than at any time in the history of the country. Notwithstanding that prices are falling on all the necessities of life that grow out of Mother Earth, that pay rolls are being diminished, and that wages are being reduced, the one shining exception to the general rule of the reduction of charges will be found in the hotel charges of Washington, which will not merely remain at the old figures in prior inaugurals but will mount to unheard-of new levels.

It is time that an investigation was had, and, if there is no law to cover it, let it go, but let the public stay away from Washington. The President can be sworn in; the pillars of state will not crumble in the event there is no inaugural ball. I do not know what the President elect thinks about it, but in all probability the whole uproar, the fuss and formality and frivolity and official feathers that are shed on the streets of Washington are as distasteful to him as they are to the Senator now occupying the floor. It has grown to be not only a national scandal but a national jest; not only a matter of extravagance in a time when we are endeavoring to save every penny, but a scandal to the occupations involved and to the public plundered by those occupations.

Prices are from 25 to 40 per cent higher in the District of Columbia than they are in any Western State. They have been that way for a long time, even preceding the war. My suggestion is that we make not one dollar of appropriation for the inaugural. If these gentlemen wish an inaugural paid for, let those who charge double the rates in any first-class hotel town in the country, in the cities of New York, Chicago, Philadelphia, St. Louis, go down in their pockets like a Fourth of July celebration in a local town, and those who get the benefits pay the bills.

I hope that neither the joint resolution nor the consequent appropriations that may be pending here will be passed, and that this investigation will be had, and that the public will be informed that the extortion that is sought to be practiced here on and before March 4 will be met by a diminished attendance on the part of those who would otherwise see an inaugural ceremony.

The VICE PRESIDENT. The resolution will be referred to the Committee on the District of Columbia.

ATMOSPHERIC NITROGEN.

Mr. SMITH of South Carolina. I also have a communication from a Mr. Edwin R. Grove, of the city of Washington, inclosing certain anonymous communications, pointing out the deceptive methods used by those who are seeking to defeat the passage of the Muscle Shoals proposition. These anonymous communications appear to be issued by the Press Service Co., 25 West Forty-third Street, New York City, N. Y. They are unsigned, but have been referred to by certain of my colleagues. The writer of this letter incloses some samples of the anonymous communications which are very contradictory in terms, and says:

DEAR SENATOR SMITH: Realizing that you are a true friend of the farmer and that you are doing your best to help the farmer in these critical times, I am inclosing copies of press-agent propaganda that is being mailed daily to the newspapers, and I suppose also to Members of Congress, by persons who seek to defeat the Muscle Shoals nitrate bill. These press-agent sheets show how brazen is the opposition to this bill, and I do not think it a very difficult matter to guess the origin. It would seem to me that this is a matter for congressional investigation, for the people are entitled to know the source of such subtle propaganda against the interests of the farmers of the United States. Trusting that the inclosed sheets will prove of use to you, I remain, with all good wishes,

Yours, very sincerely,

EDWIN R. GROVE.

[Nitrate Bulletin No. 3.]

PRESS SERVICE CO.,

25 West Forty-third Street, New York City, N. Y.

WILSON DAM AND CHEAP NITRATES—THE WATER POWER THAT IS ESSENTIAL TO ECONOMY IN MUSCLE SHOALS GOVERNMENT OPERATION SCHEME CAN NOT POSSIBLY BE AVAILABLE FOR AT LEAST THREE YEARS.

The testimony of War Department official shows:

1. That the Muscle Shoals nitrate plant can not produce cheap sulphate of ammonia without cheap water power.

2. That even if Congress maintains an uninterrupted flow of appropriations into this scheme three years at least must elapse before the absolutely essential cheap water power is available.

That cheap water power is essential for the success of the Government operation scheme (S. 3390; H. R. 10329) was the conclusion of Mr. Arthur Glasgow, formerly nitrate director of the War Department, and has the concurrence of his successor, Mr. George J. Roberts, the present nitrate director, who says:

"In Mr. Glasgow's clear, concise presentation of the operation of the plants and the expected return it is clearly shown that the margin of profit when operating by steam is so small that it can not be recommended to operate these plants exclusively by steam. They must be operated in conjunction with the cheap water power from the hydroelectric plant now being constructed at Muscle Shoals. One is dependent upon the other." (Page 85, hearing before the Senate Committee on Agriculture and Forestry, Mar. 22, 1920.)

But it will be January 1, 1924, at the very earliest, before the necessary water power will be available. This is the opinion of Gen. Harry Taylor, in charge of the construction of Wilson Dam, who appeared on Saturday, December 4, 1920, before the House Committee on Appropriations, with Secretary Baker and other officials of the War Department, to urge the appropriation of the next installment of \$10,000,000 for carrying on the Muscle Shoals water-power work.

"THE CHAIRMAN (Mr. GOON). How long would it take to complete this entire project if the money was expended in an economical way?"

"Gen. TAYLOR. In about three years."

The economical operation of the Muscle Shoals nitrate plant is thus shown by the War Department experts to be impracticable for three years at least.

Why, then, so much haste about starting the operation of the fixed nitrogen corporation?

Assuming that the promises and theories of the backers of this measure are based on sound economic doctrine, there is clearly no pressing need to justify Congress in rushing precipitately into a doubtful experiment with a Government-owned corporation, highly financed with public funds, controlling more than \$100,000,000 of public property, endowed with unprecedented powers for the condemnation of private rights, and fraught with grave competitive menace to private industry.

[Nitrate Bulletin No. 4.]

PRESS SERVICE CO.,

25 West Forty-third Street, New York City, N. Y.

"FACTS AND NOT FANCY" ABOUT MUSCLE SHOALS—BEING A RESPONSE TO REPRESENTATIVE MADDEN'S DEMAND FOR INFORMATION AS TO HOW MUCH THE FARMER WILL BE BENEFITED BY THIS GOVERNMENT OPERATION SCHEME. (S. 3390; H. R. 10329.)

"This proposal to do something for the farmer is a subterfuge. * * * The time has come when we must know the facts before we impose further burdens upon the taxpayers of the country. Economy must be the watchword. Facts should be the basis of action here, and not fancy. * * * (Statement in House debate on Jan. 4, 1921, by Representative MARTIN B. MADDEN (Ill.), p. 950, RECORD.)

The facts are that the testimony of the backers of this Muscle Shoals Government operation scheme make it quite clear that the farmer will receive no substantial benefit through the proposed creation (S. 3390; H. R. 10329) of a Government-owned fixed nitrogen corporation and the turning over to its control of \$12,500,000 of Government funds and more than \$100,000,000 worth of Government property.

Three points from the testimony of War Department experts are pertinent:

1. The War Department's plan for operating this plant as a competitive business enterprise does not contemplate the manufacture of a complete fertilizer but only certain ingredients of fertilizer. The main product will be sulphate of ammonia.

"Our dependence now in coming to you to operate this plant is sulphate of ammonia, and we are basing our life upon that." (Testimony of Mr. George J. Roberts, nitrate director of the War Department, Senate Committee on Agriculture and Forestry, p. 59.)

2. The War Department's scheme does not contemplate the sale of this material directly to the farmers but to the fertilizer manufacturers. "After studying the question very carefully, we came to the conclusion that the Government ought not at present, at least, to undertake to deal directly with the ultimate consumer; that that would involve the establishment of agencies all over the United States, and we have come to the conclusion that at present we ought not undertake to do that, but that we ought to make the product and make it available under circumstances that would enable the distributors, who are at present relying upon Chilean nitrate to get our nitrate and distribute it for us." (Testimony of Secretary Baker before Senate Committee on Agriculture and Forestry, p. 9, report of hearing.)

3. Furthermore, the scheme contemplates selling the sulphate of ammonia only at the market price "as determined by the law of supply and demand."

"In other words, we should say to the farmer and to the fertilizer industry: 'We can not sell you ammonium sulphate at less than the market rate, governed by the law of supply and demand * * *'" (Letter to the Secretary of War from Mr. Arthur Glasgow, former nitrate director, who framed the Muscle Shoals Government operation scheme, p. 91 of hearings before Senate Committee on Agriculture and Forestry.)

Whatever might have been the intentions of the War Department, it could not make sulphate of ammonia as a direct product cheap enough to compete with the by-product sulphate of ammonia produced by the coke ovens. A private company (American Cyanamid Co.) tried to do this, using the same process to be used at Muscle Shoals, and had to give it up. Where private operation failed in such a matter is it likely Government operation would succeed?

But now we see that the War Department does not even intend to sell at less than the market price!

And it does not intend to sell to the farmer—the ultimate consumer—but to middle men!

These are some of the facts that should dispose of the fancy regarding a benefit to the farmers.

REDUCTION OF THE ARMY.

The VICE PRESIDENT (at 12 o'clock and 35 minutes p. m.). The morning business is closed. The calendar under Rule VIII is in order.

Mr. NEW. Mr. President—

The VICE PRESIDENT. Unless there is unanimous consent, nothing else is in order.

Mr. CURTIS. Mr. President—

Mr. NEW. I ask unanimous consent, then, that the Senate may proceed to the consideration of Senate joint resolution 236, directing the Secretary of War to discontinue enlistments in the Army of the United States until the number of men in the Army shall be reduced to 175,000 men.

Mr. SMOOT. Mr. President, if that unanimous consent is given, can we take up the calendar after the disposal of the joint resolution?

The VICE PRESIDENT. Yes; in the opinion of the Chair. The Chair is of the opinion that Calendar Monday can be set aside only by unanimous consent. There is no use making provision for it if it does not amount to anything.

Mr. SMOOT. The Chair is right.

Mr. NORRIS. Mr. President, a parliamentary inquiry. Is it the understanding of the Chair that if Calendar Monday is set aside by unanimous consent for the purpose of taking up this particular joint resolution, and that is disposed of, we will then automatically go back to the calendar?

The VICE PRESIDENT. Yes; unless some other Senator can get unanimous consent to take up something else.

Mr. NORRIS. The point is, Mr. President, that I have no objection to setting aside the calendar in order to take up that joint resolution; I do not suppose it will take long; but I should object if it were to set aside the calendar for the day.

The VICE PRESIDENT. Is there any objection to the request of the Senator from Indiana?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 236) directing the Secretary of War to cease enlisting men in the Regular Army of the United States until the number of enlisted men shall not exceed 175,000, which had been reported from the Committee on Military Affairs with amendments.

Mr. KING. Let the joint resolution be read.

The VICE PRESIDENT. The Secretary will read the joint resolution.

The joint resolution was read, as follows:

Whereas an act approved June 4, 1920, known as H. R. 12775, being an act to amend an act making further and more effectual provisions for the national defense, and for other purposes, approved June 3, 1916, provided that "except in time of war or similar emergency when the public safety demands it the number of enlisted men of the Regular Army shall not exceed 280,000 men, including the Philippine Scouts"; and

Whereas an act approved June 5, 1920, known as H. R. 13587, and entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1921, and for other purposes," appropriated and provided funds for an enlisted personnel of the Regular Army not to exceed 175,000 men: Now, therefore, be it

Resolved, etc., That the Secretary of War be, and he hereby is, directed and instructed to cease all enlistments in the Regular Army until the number of enlisted men shall not exceed 175,000, or until a further and specific appropriation for the pay of enlisted men shall be made by Congress.

Mr. LENROOT. Mr. President, I desire to offer an amendment to the joint resolution.

The VICE PRESIDENT. There are committee amendments to be considered.

Mr. LENROOT. I was going to make a request in that connection. My amendment reduces the number from 175,000 to 150,000, and since that figure appears in part in the original text and in part in the committee amendment, I wondered if it could not be agreed that I might offer the amendment now to cover both the committee amendment and the original text, striking out 175,000 and inserting 150,000, so that we may then have one vote upon the only question, I think, that is involved.

Mr. WADSWORTH. Mr. President, let me say to the Senator from Wisconsin that I, for one, am entirely willing that that procedure should be followed, except that I think it may be desirable to offer another amendment, which does not appear in the committee text and which should be offered, in all probability, after the question which the Senator brings up is determined; in other words, that the reduction be made in the branches by percentages.

Mr. LENROOT. Then, Mr. President, I ask unanimous consent that the amendment I send to the desk may be considered at this time.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. It is proposed to strike out the figures "175,000" wherever they appear in the joint resolution and to insert in lieu thereof the figures "150,000."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Wisconsin.

Mr. NEW. Mr. President, I think I shall oppose the adoption of that amendment, for the reason that I think it would go further in the way of a reduction of the Army than the exigencies of the situation permit.

In considering this amendment, it would be well to understand that a considerable portion of the Army of the United

States is now beyond seas. The figures I am about to read are not absolutely accurate, but they are approximately so—so nearly so that they may be accepted as representing conditions as they exist.

There are now in Germany 15,300 men, in Hawaii 7,000 men, in Panama 5,900 men, in the Philippines 10,000 men, in Porto Rico 1,800 men, and in China 1,400 men. That makes about 42,000 of our Army out of the country.

Mr. BORAH. Mr. President, may I ask the Senator whether he gave the figures of the number in Germany as 15,500?

Mr. NEW. I said about 15,300.

Mr. LENROOT. Mr. President, will the Senator yield at that point?

Mr. NEW. Certainly.

Mr. LENROOT. Does the Senator think that the 15,000 men will long remain in Germany, or that very shortly after the special session convenes there will be any authority for them to remain there?

Mr. NEW. I certainly hope they may be withdrawn from Germany at the very earliest moment possible, and I think there is a very strong prospect that they will be.

Mr. LENROOT. Does not the Senator think that the condition will be such, shortly after the 4th of March, that they will have to be withdrawn?

Mr. NEW. Yes; I hope so.

Mr. POMERENE. Will the Senator kindly state what the reasons were which persuaded the committee to fix the figure at 175,000?

Mr. NEW. The majority of the committee, after considering the situation, felt that 175,000 was the figure at which the Army should be placed at present. The desire, of course, is to cut down expenses and at the same time leave the Government in possession of a military force sufficient to meet all reasonable demands which might be placed upon it.

Mr. POMERENE. May I ask what number the minority of the committee favored?

Mr. NEW. One hundred and fifty thousand. The facts are these, Mr. President: The act of June 4, 1920, provides that the military force shall not exceed 280,000 enlisted men. Congress, however, assumed that 175,000 would be sufficient, and it assumed further that that would be as many men as probably could be enlisted during the period for which that appropriation was made. The Secretary of War has affected to so construe the law as to make it mandatory upon him to enlist the maximum number. He has proceeded, by every known means, to enlist just as many men as possible, so that December 31 the Army had 218,398 men. They were then enlisting at the rate of 1,000 men a day. It is my understanding that on last Friday they enlisted 1,500 men. I think it is perfectly safe to say that the rate of enlistment now is at least 1,000 men a day. I apprehend that a statement of the size of the Army last night would show it to be somewhere in the neighborhood of 237,000 or 238,000 men.

Mr. WADSWORTH. Including officers?

Mr. NEW. Yes; of course, that includes officers. It is the purpose of the joint resolution to stop enlistments at once. If it is passed, the way it will operate will be to bring the Army down to 175,000 about the middle of September next. That is to say, men will be discharged as their terms of enlistment expire, and it will require until about the middle of September to bring the Army down to the point where its strength shall stand at the figure fixed by the joint resolution, 175,000 men.

Mr. KING. Will the Senator permit an inquiry?

Mr. NEW. Certainly.

Mr. KING. Would the effect of the joint resolution, if passed, be a reduction in the number of officers corresponding with the diminution in the number of enlisted men?

Mr. NEW. No.

Mr. KING. If not, ought it not to be so amended that there shall be a pro tanto reduction; that is, that officers shall be withdrawn from the service as men are withdrawn from the service?

Mr. NEW. No; I do not think so, Mr. President. The joint resolution would leave the skeleton of the Army as it is, capable of immediate expansion by the enlistment of men, and in case of an emergency I think it could be brought up to any reasonable requirement almost immediately. It leaves the nucleus, the skeleton, there. It would not leave us in the situation in which we were found on the 6th of April, 1917. The measure has that particularly in mind.

The point I now seek to make is that so many of these men are beyond seas that I think it inexpedient to bring the force down to 150,000 men at this time.

Another thing, Mr. President, I would like to make clear in this connection is, that in each of the areas about 5,000 men are

required to care for public property, and this would leave about 6,000 men available for emergency service in each of the nine areas.

Mr. LENROOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Wisconsin?

Mr. NEW. Certainly.

Mr. LENROOT. With reference to men beyond the seas, is not the Senator satisfied that before the middle of September those 15,000 men will be returned to the United States?

Mr. NEW. I hope so.

Mr. LENROOT. Then a reduction from 175,000 to 150,000 would not affect that question?

Mr. NEW. If the 15,000 men were all brought back from Germany, for instance, it would still leave something like 27,000 men beyond seas. I do not know that it is entirely safe for us to proceed upon the theory that it may not be necessary to augment the force now abroad, without any regard to the force in Germany. I think that particular force will certainly be brought back within that time, but we may be called upon to enlarge the overseas force in some other places.

Mr. McLEAN. Mr. President, I would like to ask the Senator if he knows what the saving would be in the expense over last year occasioned by a reduction to 175,000 men?

Mr. NEW. It would amount to a good many millions of dollars. I think it would save from thirty-five to forty million dollars.

Mr. JONES of New Mexico. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. NEW. Certainly.

Mr. JONES of New Mexico. I would like to understand whether or not, if the joint resolution is passed as it is framed, there will be any great immediate reduction in the enlisted strength of the Army.

Mr. NEW. It would begin immediately, and in answer to his question I will tell the Senator one thing that would be done. The War Department is at this minute spending money in what I think is a most extravagant manner in obtaining further enlistments. Full-page advertisements in high-priced periodicals and all sorts of expense is undergone in the matter of enlisting men whom I do not think we need at all. That would stop at once, and immediately would begin a reduction of the force. That would be gradual, as I sought to explain. The reduction would just go on from day to day, each day leaving a somewhat smaller number than the day which preceded it, until somewhere about the middle of September the 175,000 mark would be reached.

Mr. JONES of New Mexico. If I understood the Senator correctly a moment ago, he estimates that the enlisted strength will not be reduced to 175,000 until next September?

Mr. NEW. That is right.

Mr. JONES of New Mexico. Is it not possible to bring about some greater immediate reduction in the force?

Mr. NEW. I doubt, Mr. President, if that can be done without crippling the military force. The joint resolution has been drawn with a view to permitting the reduction, and forcing the reduction, for that matter, with just as little inconvenience and loss from the military standpoint as is possible in reaching the end desired.

Mr. JONES of New Mexico. I observe that the committee has proposed an amendment on page 2, excepting those "who at the time of the passage of this act have served more than one year in the Regular Army or the Army of the United States during the recent emergency."

Mr. NEW. Yes.

Mr. JONES of New Mexico. I should like to inquire of the Senator what effect that amendment will have upon the recruiting of the Army. How many persons will probably come into the service under that amendment?

Mr. NEW. I think none will come in, but some will be retained, some will be permitted to reenlist. Some men go into the Army to make a career. They are really the valuable men of the Army. The men who have served the first enlistment and who have gone in for that purpose are men who have already become noncommissioned officers, and it is for the purpose of permitting the service to retain those very valuable men that that amendment was inserted. The reference to the Army of the United States was made in order that the veteran of the World War, who served under the conscription act, shall be entitled to the same opportunity that is given to the man who serves in the Regular Army of the United States.

Mr. JONES of New Mexico. Does not the Senator believe that if that be the purpose of the amendment, it should be limited to those who are in the Army now?

Mr. NEW. It is so limited.

Mr. JONES of New Mexico. As I take it, the language does not bear out that interpretation. The exception extends to those who at the time of the passage of the act have served for more than a year in the Regular Army or the Army of the United States during the recent emergency, whether they are now in the service or not. Does not the Senator believe that that should be limited to those who are now in the service?

Mr. NEW. It was the intention to limit it to those who are now in the service.

Mr. JONES of New Mexico. Does the Senator believe that the language will warrant that interpretation?

Mr. NEW. I have thought so.

Mr. JONES of New Mexico. I certainly feel that it should be made more specific. I desire to state, Mr. President, that I am anxious not only to prevent the future augmentation of the number of enlisted men in the Army, but I believe there should be something done immediately to reduce the expenses of the Army. We all realize that there are thousands of men who served in the recent emergency who are demanding medical treatment. We are pressed for hospital accommodations for thousands of such men. I know that the committee which is considering the question of providing hospitals feels that it is not able to provide all the money which should be provided for the purpose of building hospitals for the disabled men who have served in the Army. I believe that there should be some immediate reduction in the expense of the Army, at least sufficient to make us feel free to provide all the hospital accommodations which the men ought to have.

I believe that the exception should be limited to those who are now in the service of the Army, and if there can be some way provided whereby we can make a present reduction without waiting for this gradual reduction it should be done, so that we may use this money for other purposes. I hope the chairman of the committee will see fit to agree to amend that amendment so as to bring about what he evidently has in mind, but which I do not believe the language will accomplish. If it is possible to propose some amendment which will bring about an immediate reduction in the expense, it ought to be done. There is no reason why we should wait until next September, it seems to me, to reduce this force. Something ought to be done to reduce it now.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. NEW. In just a moment. The Senator from New Mexico and myself are certainly in substantial agreement. I am seeking by the joint resolution to accomplish about what he has in mind, and I think this does accomplish it. It may be open to the technical objection which the Senator makes. If so, I am perfectly willing that that point should be made clear.

Mr. LENROOT. I would like to call the attention of the Senator from New Mexico to the fact that the exception covers only reenlistment. Reenlistment is a well-defined term, having reference to those who are now in the Army.

Mr. NEW. Exactly. The reference, as the Senator from Wisconsin points out, is to reenlistment. It applies only to those who are now in the service.

Mr. JONES of New Mexico. I think that ought to be made plain.

Mr. FLETCHER. I think that can easily be remedied by adding, after the word "act," the words "are in the service," so that it will read, "who at the time of the passage of this act are in the service."

Mr. JONES of New Mexico. I suggest that that amendment to the amendment be accepted so as to remove all doubt.

Mr. NEW. I think the objection is technical and fanciful rather than substantial, because if the man is not in the service he can not be reenlisted. The very word reenlist means that he must be in the Army. He can only be reenlisted at the expiration of a present reenlistment. I think that is perfectly clear.

Mr. JONES of New Mexico. That may be the technical construction of it in war language, but I submit to the average reader it would not apply at all. If a man has once been enlisted, he can be reenlisted whether he is serving in the Army at the time of the reenlistment or not. That must be the ordinary construction of the term, and I think the amendment suggested by the Senator from Florida ought to be accepted, so as to remove all doubt on the question.

Mr. NEW. Let me add to what has been previously said on this point that the term "reenlistment" is defined by the statute. The man who desires to reenlist is given certain privileges, but that is accompanied by a certain requirement. He must reenlist within a given time. The term "reenlistment" is accurately defined by statute, so I think there can be no doubt about it.

Mr. JONES of New Mexico. May I not inquire if the explanation which the Senator has just made does not give rise to the criticism which I have offered to the amendment? It is now stated that the statute prescribes that a certain time may elapse after the expiration of one enlistment within which there may be a reenlistment. Does not that carry with it the implication at least that there may be a period of time when the person is not in the service of the Government?

Mr. NEW. That whole matter is a matter of contract between the Government and the soldier. Certain rights are guaranteed him by contract, and in order to get the benefit of them he must comply with the requirements that are fixed by the statute. The term "reenlistment" there is absolutely defined. No one having once served a period of enlistment can come in a year hence, or at some indefinite time in the future, and claim the benefit of a previous enlistment. He must do it within a given number of days, the interval permitted between the expiration of one enlistment and the beginning of another being granted merely in order that the soldier may have the opportunity to visit home and perhaps turn the thing over in his mind.

Mr. JONES of New Mexico. May I inquire of the Senator if under the present law there is a contract arrangement whereby a person who enlists in the Army has a right to reenlist?

Mr. NEW. Yes.

Mr. JONES of New Mexico. Then does not the Senator by the joint resolution take away that contract right?

Mr. NEW. No; not at all. As the Senator from New York [Mr. WADSWORTH] points out, that is one of the reasons for the amendment. Not all of the men want to reenlist upon the expiration of an enlistment. Most of them want to get out, but those who want to stay are the men who have a natural taste for military life and who go into the Army for a career and who become noncommissioned officers in the course of a little time, many of them upon the expiration of the first enlistment. They are what has been so aptly termed "the backbone of the Army." It is merely in order that the Government may not be deprived of the services of those men that the provision for reenlistment is made.

Mr. JONES of New Mexico. Are we then to understand that by the joint resolution we are violating a contract with those who have enlisted, but who have not served a year, and preserving it only as to those who have served more than a year? Would that be the effect of the joint resolution?

Mr. NEW. No; there is no implied contract in the first enlistment.

Mr. JONES of New Mexico. Then I fail to understand the force of the remarks of the Senator a while ago that there was some contract arising by reason of an application for reenlistment.

Mr. NEW. That comes under the second enlistment.

Mr. FLETCHER. Is it not true that there are no enlistments for less than a year?

Mr. NEW. There are none for less than a year.

Mr. FLETCHER. All are for a year or three years.

Mr. BORAH. Will not the Senator accept an amendment to the joint resolution directing the Secretary of War to discharge an enlisted man upon his application so long as the discharge does not reduce the Army below 175,000 men?

Mr. McKELLAR. Section 2 provides for that already.

Mr. BORAH. It authorizes it, but does not direct it.

Mr. NEW. It does not direct it, but it authorizes it.

Mr. BORAH. I am afraid that will not be very beneficial.

Mr. McKELLAR. If the Senator will offer such an amendment bringing this about without destroying the morale and injuring our overseas service, I would be glad to vote for it, but I am inclined to think section 2 is about the best we can do.

Mr. NEW. I think there are very obvious objections to that. I think Senators will see, if they stop to consider for a moment, that the amendment, I think, would prove an incentive for the soldier who does not readily subscribe to discipline to violate or disregard discipline, in the belief that having done so he could escape the consequences of it by simply saying, "I do not like this job and I am going to quit." I think that would be disruptive of all discipline.

Mr. McKELLAR. Mr. President—

Mr. NEW. I yield to the Senator from Tennessee.

Mr. McKELLAR. I agree with the Senator from Idaho that the Army ought to be reduced at the earliest practicable moment; and, of course, I see his reason for the amendment in the committee. I had the same notion about it. The difficulty about it, though, is that we have fighting forces overseas, and if we were compelled to accept resignations it might be embarrassing under certain circumstances. For instance, our forces at Panama might suddenly hand in all their resignations

and put us in a very embarrassing situation, and so in Hawaii, Alaska, and other places. For those reasons probably the authority should be retained as provided in section 2 of this resolution, but unquestionably I think the Secretary of War ought to exercise the authority vested in him by this second section to reduce the Army according to the views of Congress at the very earliest possible moment. The Senator can see the obvious difficulties about directing that all requests for discharge shall be granted.

Mr. NEW. I think that the Senator may well take into account the fact that the act is to be administered probably by another Secretary of War, and presumably one who will be in more sympathy with the purposes of the bill than the present incumbent of the office.

Mr. BORAH. If I knew who that Secretary of War is going to be I might be consoled by that suggestion, but he might be of the same view as the present incumbent.

I can see objections, perhaps, to applying the proposition to the overseas service; but I know of instances where men have been very desirous of getting out to go back to the farms, and so forth, where they belong, and it is practically impossible for them to get out. It will be so under the provisions of the joint resolution, unless the Secretary of War sees fit to exercise favorably his discretion in the matter.

Would not the Senator be willing to confine it to men in service in this country? Some of the young men are desirous of getting out and going back where they can render some real service to the community. There ought to be some way by which they can get out rather than by the discretion of some one who does not want them out.

Mr. WADSWORTH. Will the Senator permit me to make an observation to the Senator from Idaho?

Mr. NEW. Certainly.

Mr. BORAH. I shall be glad to have it.

Mr. WADSWORTH. The Senator suggests that the amendment be made applicable only to men who are now serving in the United States. At first blush that would seem rather an attractive compromise, as it were, but we have to remember that the men are enlisted in the service as a result of recruiting parties at considerable expense. As soon as a man is enlisted in the service he is issued clothing and equipment by the Government. He is fed and trained. He is transported, and the transportation charges are one of the principal elements of expense in getting men into the service and finally attached to units where their training is commenced.

Under the Senator's proposed amendment a man could enlist in the Army. He is paid his traveling expenses from the point of enlistment to the first post to which he is attached, a recruiting depot, we will say. He is issued clothing from head to foot. He is fed. He is trained for a time at the recruiting depot and then he goes forward to his regiment. He is transported again in that process. The money spent on him amounts to some hundreds of dollars. That man, after having been in the service a month or six weeks, can say, "Well, I guess I don't like this, and I am going home," and under the Senator's amendment he must be allowed to go.

Mr. BORAH. The very object of the joint resolution is to get that man home.

Mr. WADSWORTH. No; the very object of the joint resolution is to stop recruiting.

Mr. BORAH. Precisely so; but there has been a suggestion here that the Army should be immediately reduced—

Mr. WADSWORTH. It will be.

Mr. BORAH. To 175,000 or 150,000 men. I understood the Senator from Indiana to say that he is in sympathy with that. Now, let the man who makes his application have some say about whether he shall go home or not. We know what happens to a man who is enlisted as against the discretion of a Secretary of War. I do not care whether the Secretary of War is a Democrat or Republican, the discretion is always exercised in the same way.

Mr. WADSWORTH. If the Senator wants to smash all discipline in the Army, he will urge that amendment. A man may be put on kitchen police some morning, peeling potatoes, and he will say, "I do not like this job; I guess I will put in an application for a discharge"; or he may have been ordered to do something else he does not want to do. The word is passed around, for instance, among all the men, "if you are ordered to do anything you do not want to do, ask to go home and they will have to send you."

Mr. BORAH. Precisely. I discover a good deal of insincerity about reducing the Army, about which we have been talking.

Mr. WADSWORTH. No; the Senator has not discovered it yet.

Mr. BORAH. I think I have, because the Army can not be reduced, even under my amendment, below 175,000; and that is

what the Senator says he desires to do. What is all this about if it is not to reduce the Army?

Mr. NEW. It is to reduce the Army and not to smash it.

Mr. BORAH. We could not smash it below 175,000, and the Senator says that is large enough; that that is all we need.

Mr. NEW. I do not think the Senator from Idaho realizes the effect which an amendment such as he offers would have upon the discipline of the Army, for I am sure if he did—at least if he takes the view of the matter that I do—he would not offer the amendment. I am convinced that its adoption would be absolutely disruptive, that discipline could not be maintained under it for 24 hours.

Mr. BORAH. Discipline could be maintained for 175,000 men.

Mr. NEW. No; I do not think so. Every soldier desiring to escape the penalties of a breach of discipline would be asking for his discharge and in some instances getting it.

Mr. WADSWORTH. And may I say that, under the law, the Government would have to pay his traveling expenses home?

Mr. NEW. Yes; exactly.

Mr. BORAH. The Government could well afford to pay his traveling expenses if he would go home and go to work on a farm or some place where he would help the community.

Mr. McKELLAR. Will the Senator from Indiana yield to me?

Mr. NEW. Yes.

Mr. McKELLAR. I will say that in the committee I favored some such amendment as has been suggested by the Senator from Idaho [Mr. BORAH], but upon reflection and upon talking the matter over as we did in the committee it became apparent that we had some forty-odd thousand men abroad and, under the unrestricted right to resign, the whole forty-odd thousand could send in their resignations and receive their discharges at once. That would put our Military Establishment in a situation such as we would not desire to subject it to. For that reason I feel that section 2 as drawn and adopted by the committee embodies the proper method of handling this very difficult situation.

Mr. President, if the Senator from Indiana [Mr. NEW] will excuse me for just a moment, while I am on my feet I desire to say that I am very heartily in favor of the pending joint resolution. I am also very heartily in favor of the amendment which has been offered by the Senator from Wisconsin [Mr. LENROOT] to reduce the number to 150,000 men. It might be said, so far as the present law is concerned, that the Secretary of War is carrying it out, for he was authorized by Congress in the Army reorganization bill which was passed last spring to recruit the Army up to 280,000 men. I thought at the time it was very unwise to fix the number at that large figure, and I think I so stated on the floor of the Senate; I know I did so in the committee. However, the Secretary of War has the authority, for it is granted in the law. That authority was not taken away from him later on when we appropriated for only 175,000 men. The difficulty about the matter arises from the fact that Congress enacted those two apparently conflicting laws. It was supposed that the Army would be recruited to 175,000 men; we thought it would not be difficult to recruit the Army to that number by voluntary enlistment; but it turns out that there have been recruited not only that number but some two hundred and thirty-odd thousand in entire contradiction of the views, as it seems to me, of the committee and of Congress.

How can we bring about a readjustment of that situation? There is but one way and that is along the lines of the pending joint resolution. We must have men reenlist in order that we may have well trained men to teach the new men; we must have experienced men in the Army. For that reason we provided for reenlistments under certain conditions, which is very proper. There is no danger whatsoever in reducing the number provided for to 150,000 men, for the reason that under the terms of the proposed act the number will not be reduced to 150,000 until a year from now or about that time. It will be next December or next January before, under the terms of the bill and amendment, the number will be reduced to 150,000 men. The number will constantly be reduced month by month, but I think it is estimated that it will probably be next September before we can reduce the number to 175,000. Manifestly we ought to reduce the number to 150,000, because it will be a year from to-day before we can secure that reduction, and in the meantime we will have a much larger average number in the Army.

Mr. BORAH. May I ask the Senator a question?

Mr. McKELLAR. The Senator may do so with the consent of the Senator from Indiana [Mr. NEW], who has the floor. I shall be delighted to yield to him.

Mr. NEW. The Senator from Idaho may interrupt as far as he likes.

Mr. BORAH. The Senator from Indiana stated a few moments ago the number of men enlisted at the present time, but I have forgotten the number.

Mr. McKELLAR. The number is about 230,000.

Mr. BORAH. It is now desired to reduce that number to 150,000 or 175,000?

Mr. McKELLAR. To 150,000, I hope.

Mr. BORAH. Under the joint resolution, the Senator does not think there will be any reduction, of course, until the 4th of March next?

Mr. McKELLAR. The number will begin to be reduced immediately.

Mr. NEW. The Senator from Idaho misunderstands the proposition. The reduction begins at once.

Mr. BORAH. To what extent does it begin?

Mr. McKELLAR. At once; but proportionately, month by month.

Mr. LENROOT. The Army will be reduced as enlistments expire.

Mr. BORAH. I should like to have the figures if the Senator can give them.

Mr. NEW. I had the figures, but they happen now to be in the possession of the Senator from New York [Mr. WADSWORTH].

Mr. BORAH. I should like to hear those figures, if the Senator will permit.

Mr. McKELLAR. I shall be delighted to yield.

Mr. BORAH. To what extent will the reduction take place? Do the figures show the number of enlistments which expire between now and the 4th of March?

Mr. WADSWORTH. It will take quite a statement to answer the question of the Senator from Idaho, and I think I had better do it in my own time.

Mr. McKELLAR. I am nearly through.

Mr. WADSWORTH. I do not wish to interrupt the Senator from Indiana further; that is all. I have some figures here about this matter which I shall later present to the Senate.

Mr. McKELLAR. I should like to say to the Senate that so far as I am concerned I feel that the Army ought to be reduced. I think it was unfortunate and unnecessary to have fixed so large a limit as 280,000 men in the Army reorganization bill. I think it was very unfortunate that it should have been recruited up to its present strength. I do not think it was in accord with the last intention of Congress, as expressed in the appropriation bill, and I am very sorry it has been done. The pending joint resolution, amended by inserting 150,000, ought to be passed at once, and we ought to take steps to reduce the Army as fast as we can without destroying its morale and without destroying any subdivision of the Army. We must take proper action in order for it to be effective, for if we act along improper lines the proposed legislation is not going to be effective, and later we shall have to consider another resolution framed along correct lines.

Our war expenditures are enormous. They must be cut down. There is no necessity for a large standing Army at this time. We have millions of well-trained young men in the country now, and should trouble arise they could be put into the Army almost at once. Our tax burdens are heavy, and no larger appropriation should be made unless absolutely necessary. We should not expend more than \$200,000,000 on our Army this year, and the best way to insure this is to pass this resolution, with the amendment.

The Senator from New York [Mr. WADSWORTH], chairman of the Committee on Military Affairs, has devoted much time and great attention to this matter. He has worked it out very carefully and with an earnest desire on his part, as I believe, to bring about a result that will be effective to reduce the Army and at the same time not destroy its morale and effectiveness. The Senator from Indiana also has been very active in the matter, and I feel that those Senators are entitled to great credit for what they have done in bringing this resolution before the Senate, and I wish to give them that credit so far as I can. The committee carefully considered this resolution and was unanimously in favor of the resolution, the only difference of opinion being as to the number of men. The joint resolution which has been reported by the committee is in general accord with my views. I am very anxious to have the Army reduced, for, in my opinion, it ought never to have been authorized to a limit of 280,000 or recruited up to the point where it now is.

Mr. President, I hope the Lenroot amendment will be adopted, and that the resolution as amended be passed.

Mr. NEW. Mr. President, I can answer the question of the Senator from Idaho from memory with reasonable accuracy. I shall base what I am about to say on the figures of December 31, 1920. On that date the Army numbered 218,398 men. At

the rate at which enlistments have been received it is considerably larger now; but starting with December 31, when there was a total of 218,398 men, if enlistments had ceased then reduction of enlisted strength would have progressed as follows: On January 31, 1921, the Army would have been reduced to 213,491 men; on February 28, to 209,000 men; on March 31, to 204,000 men, or about 4,000 a month; on April 30, to 201,000; and on May 31, to 194,000. That is about the way the reduction would proceed, and that ratio would continue until about the middle of September, when the 175,000 mark would be reached. That is as nearly a definite answer as I can give to the Senator's question, without having the actual figures before me.

Mr. FLETCHER. Mr. President, may I suggest to the Senator that it is easy for us to sit here and, without understanding all the conditions surrounding the Army and the needs of the service, say we do not want more than 100,000 or 120,000 or 140,000 enlisted men in the Army. I am afraid we would make a very great mistake simply to indulge the general notion that we want to reduce the Army down to the very smallest possible basis and then guess at the figure. The Senator will remember—and this bears on the subject of the amendment offered by the Senator from Wisconsin—that in the hearings before the committee last year the War Department officials generally, as I recall, estimated that something over 500,000 men were needed for the Army. That was in May or April last. The House committee, when the bill which was approved on June 4, 1920, was under consideration, were in favor of placing the number at two hundred and ninety-odd thousand, as I recall, and I think those are about the figures. Those were the respective estimates in June last, the Army reorganization bill having been approved on June 4, 1920.

So the War Department having estimated as being necessary something over 500,000 men, the House being determined that the proper number was two hundred and ninety-odd thousand, and the Senate having determined upon a less number, finally a compromise was effected placing the number at 280,000. That, I repeat, was the number fixed on June 4, 1920, the 280,000, of course, being the maximum, although it was very much less than the number contended for at the time by the Army itself and by the War Department as necessary for the service.

We ought to be very careful here not to make a mistake which might almost destroy the Army by reducing to 150,000 based on a mere guess.

There has been further consideration of the subject by both the House and the Senate. When Congress came to pass the appropriation bill it was determined that possibly the enlistments could not exceed 175,000 during the life of the appropriation, and therefore an appropriation was provided to pay 175,000 enlisted men. That is evidence of the latest consideration by Congress on the subject. Now, the committee under the joint resolution which the Senator from Indiana [Mr. New] has offered, and which has been reported, proposes to fix the number at 175,000, which represents the latest guess of the committee, and now it is proposed on the floor to reduce that number to 150,000 merely in an arbitrary manner. I think we ought to be very careful about the step we take in this regard.

Mr. OVERMAN. Mr. President, can the Senator advise as to what was the strength of the Army prior to our entry into the war?

Mr. FLETCHER. It was something over 100,000 men.

Mr. OVERMAN. If only 100,000 men were necessary then, why should we have 175,000 now?

Mr. FLETCHER. We have made progress in a great many directions and we have gone back in a great many directions. The world is a different world to-day from what it was in 1914.

Mr. OVERMAN. That is no reason for increasing the Army.

Mr. FLETCHER. The conditions throughout the world are considerably different, and our needs are different from what they were then.

Mr. OVERMAN. How are our needs different?

Mr. FLETCHER. They are different because of the terrible world upheaval which has happened since then. The Senator can realize some of the changes which have been brought about by looking at his paper in the morning and reading what is happening on the California coast and on the Mexican coast and in other directions. I do not think I need to dwell upon that phase of the situation, for we know that we are in a different position to-day from that which we occupied in 1913 and 1914.

I do not wish to take up the time of the Senator from Indiana now. I merely wanted to throw out that suggestion and to call his attention to the estimates which were made last year as bearing on this question.

Mr. POMERENE. Mr. President, if I may ask the Senator in charge of the bill another question, when this matter was up before the committee with a view to reducing the Army, as I take it, from the authorized number of 280,000 to 175,000, what was the position of the War Department with respect to the change?

Mr. NEW. The War Department was opposed to it. The Secretary of War and the Chief of Staff were opposed to it.

Mr. President, I think I have said about all I care to say on this subject, except that I should like to add this: I have not fixed this figure at 175,000 without having given the subject a good deal of consideration, and I know that that is true of the Senator from New York [Mr. WADSWORTH], who has perhaps given it even more thought than I have. My desire is to get the Army down to as low a point as possible consistent with present-day needs and without impairing the efficiency of the Army. In fixing the figure at 175,000 I have taken into account the fact that there are a great many men abroad, the further fact that some of them are certainly going to be returned home within a few months, and the fact that half of these men, or nearly half of them, are necessarily employed at this minute in the care of public property. This figure of 175,000 really leaves only a little more than 50 per cent of the men as effectives for actual military operations in case of an emergency, and I believe that it would be a military mistake and an economic mistake to put the number below the 175,000 mark. For that reason I can not accept the amendment offered by the Senator from Wisconsin.

Mr. LENROOT. Mr. President, when the Army reorganization bill was passed it was certainly with the clear understanding upon the part of some of us who were members of the Military Affairs Committee that this was an authorization for an Army of 280,000 men, but that the actual size of the Army would depend upon the appropriations that were made from year to year for that purpose. It was not expected that the Army would be increased beyond 175,000 men during this fiscal year. The appropriations were made upon that basis. That, since I have been a Member of Congress, has been the practice, and there is a very good reason for it.

Here is an authorization, as the law now stands, that through the simple act of making an appropriation, without requiring any further legislation, the Army may be increased to 280,000 men; and that was the great advantage in placing in the Army reorganization bill this maximum number. As I said, however, it was supposed that in the enlistment of men the War Department would conform to the appropriations made by Congress. It has not done so.

Mr. NORRIS. Mr. President, the Senator has stated what I thought when we passed the appropriation bill was going to be the fact, although I am not a member of the committee. I think everybody understood the matter just as the Senator has stated it. I am curious to know what excuse the Secretary of War has given for taking a different viewpoint and recruiting the Army without regard to the appropriation that has been made by Congress to pay for it.

Mr. LENROOT. Evidently the Secretary of War regards an authorization by Congress as a direction by Congress. I can not account for it in any other way.

Mr. NORRIS. Has he given any explanation as to what was the effect, in his judgment, of this appropriation?

Mr. LENROOT. None whatever. As I understand, he simply takes the position that it was expected that if the recruiting was sufficient to bring the Army beyond 175,000 men, the excess would be taken care of in a deficiency appropriation. Of course, it is very plain that the Secretary of War, as in so many other cases, the Muscle Shoals Dam being one of many, has no regard for carrying out the will of Congress if Congress technically gives him some greater power. That is exactly what the situation is here.

The majority of the committee are opposed to reducing the Army below 175,000 men. Of course, neither this joint resolution nor the amendment that I have proposed, that is pending, has anything to do with changing the permanent law regarding the size of the Army. We simply limit it to the appropriations that may be made for that purpose, and it ought to be so limited.

Now, do we need more than 175,000 men? And can the Army be reduced to 150,000 men in the next fiscal year so as to effect a very substantial saving to the Treasury if they are not needed?

The answer in both cases must be in the affirmative. It has been shown that by about the 1st of next September, under the joint resolution as proposed by the committee, the Army will be reduced to about 175,000 men. The amendment that I

have proposed will not affect that portion of it, but the reduction would simply go on a little longer until it was reduced to 150,000 men, and that would be accomplished before the 1st of January of next year; so that, assuming that there will be a saving only of six months in which the Army will be reduced to 150,000 men in the next year, my amendment will save to the Treasury \$12,500,000 more than will be saved to the Treasury by the joint resolution as reported by the committee.

The only question, it seems to me, is, Do we need in the next fiscal year a greater Army than 150,000 men? It seems to me very clear that if we did not need more than 175,000 this fiscal year, which the Committee on Military Affairs unanimously agreed upon, we certainly shall not need more than 150,000 men during the next fiscal year.

We have had more than 15,000 troops located in Germany. It is admitted by the majority of the committee that within the next few months those 15,000 men will be returned to this country. It is admitted that when the Army reorganization bill was passed our National Guard amounted to practically nothing. The National Guard on the 1st of January, I believe—the chairman will correct me if I am mistaken—amounted to some 70,000 men, and it is rapidly increasing. Therefore, Mr. President, if 175,000 men in the Army were enough for this year, with 150,000 the country will have more protection during the next fiscal year than it had with 175,000 this year.

I do not know how anyone can successfully contradict that statement; and if that be true, especially in view of the condition of the Treasury, I can not see any justification for incurring this additional expense of \$12,500,000 a year over that which is proposed by my amendment.

As to whether or not 150,000 men will be sufficient in the next fiscal year, Mr. President, if they are not we shall have to have more than 175,000. If any emergency shall arise, the difference between 150,000 and 175,000 is not going to take care of the emergency; but there never has been a time, probably, within the memory of any Senator upon this floor—certainly not since the Civil War, and I doubt whether there are any Members present this morning who can remember that time—when there was less possibility of there being any necessity for an Army over 150,000 men than there is to-day.

The Senator from Florida [Mr. FLETCHER] suggested that we ought to be very careful and that we ought not to guess at this matter of reducing the Army below 150,000 men. Mr. President, there is not anything technical about it. A further reduction of 25,000 men will simply mean that the skeleton regiments which were provided for in the Army reorganization law will not be quite so full as they would be with 175,000 men; that is all. The difference between 150,000 and 175,000 in that respect can not make any difference in the general plan of the Army.

So, Mr. President, it seems to me this amendment clearly ought to be adopted. The Army is going to cost us quite enough during the next fiscal year, anyway, and if we are going to economize, if we are going to have any regard for the taxpayers of the United States, here is a good place to have some regard for them, because no one can point to any possibility of any necessity during the next fiscal year, in my judgment, of an Army in excess of 150,000 men.

Therefore I hope the amendment I have proposed will be adopted.

Mr. WADSWORTH. Mr. President, I think we might go back a little to trace the steps which have been taken by Congress in regard to the size of the Army. I am especially prompted to impose upon the Senate in that regard by an observation made by the Senator from North Carolina [Mr. OVERMAN].

Back in 1913 the Regular Army consisted, as I recollect, of about 88,000 men, exclusive of certain noncombatant services, such as the Medical Service and the Quartermaster Corps. In 1916 there was enacted the national defense act. At that time the Regular Army numbered in the neighborhood of 100,000 men, and in the national defense act we provided specifically that during the four or five succeeding years—I forget the exact number of years—the Army should be increased by annual increments to a figure which would bring it in the neighborhood of 220,000 men in five years' time. That was passed in 1916, so that as the result of the national defense act of that year, by 1921 the Army would number 220,000 men; and I think the Senator from North Carolina voted for the national defense act. It so happens that that is just about the size of the Army to-day. If Senators will look back over the record they will see that there is nothing very outrageous, from the legislator's standpoint, about the present size of the service, for they will find that the Army to-day is just about the size of the Army they voted to authorize five years ago.

Mr. OVERMAN. I did vote for that bill, because there was a cloud hanging over the country and war was expected.

Mr. WADSWORTH. It is hard to make very accurate estimates of clouds. There may not be such clouds to-day as there were then, but there are some.

Along came the reorganization act of last year. The Secretary of War and the Chief of Staff had a bill prepared in the War Department, they sent it to Congress, and it was introduced in the Senate. It called for a regular standing Army in time of peace of 576,000 officers and men. The Senate Committee on Military Affairs regarded that as an absolutely untenable request. The annual cost would have been \$800,000,000 for such a force. So, after most extensive hearings, the Military Affairs Committee of the Senate reported its bill carrying the Army at an enlisted strength of 280,000, with sixteen thousand and odd officers. At the same time the House Committee on Military Affairs, which also held hearings, reported its bill carrying an enlisted strength of 298,000 men, 18,000 larger than the number proposed by the Senate committee.

Mr. NORRIS. Mr. President, can the Senator give the date of the bill which was introduced, prepared by the War Department, in which nearly 600,000 men were provided for?

Mr. WADSWORTH. It is my recollection that it was in the early summer of 1919. I can not give the date of its introduction.

Mr. NORRIS. Can the Senator give it with reference to another incident? Was it before the Senate had acted on the treaty of peace?

Mr. WADSWORTH. Oh, yes.

Mr. NORRIS. To be fair to the War Department, then, I think it ought to be said, or it may be that it is claimed by them, that that was the size of the Army which they thought we would need in case we went into the League of Nations. They might not think they need so many now.

Mr. WADSWORTH. That is very possibly true. The inference was that the League of Nations proposal had something to do with suggesting that figure, although it was never completely confessed that that was the reason. There was a clear intimation, however, that at that time the possible obligations of the United States would require a Regular Army of 576,000.

However, Mr. President, when the Army reorganization act went into conference between the two Houses, the House conferees insisted for some time on an authorized strength of 297,000, the Senate conferees for 280,000, and finally the Senate conferees had their way, the House conferees yielding, and the Army reorganization act went through at 280,000. It is well to remember that the act provides that except in time of grave emergency the Regular Army shall not exceed 280,000, using language which had generally been used in old-time statutes. Of course, we had the idea that that merely fixed a maximum, and that it was within the discretion of the Congress, and of the Secretary of War to some extent, to vary the actual strength of the Army from time to time.

Following the passage of the Army reorganization act there came the Army appropriation bill, and here, I think, we ought to have a clear understanding of what occurred, because I think the Senator from Wisconsin [Mr. LENROOT] is somewhat inaccurate in one of the assumptions that he makes.

When the Army appropriation bill reached conference between the two Houses one of the questions at issue was the amount of money to be appropriated for the pay of the Army, and it was suggested, of course, that the item "Pay of the Army" was one of the most potential items in the bill governing the strength of the Army. At the time the conference was going on there were 202,000 men in the Regular Army. This was last May. The number had been decreasing prior to that time, but its rate of decrease had been slowing up, so that those who examined the figures were convinced—at least some of us were convinced—that instead of the decrease continuing the minimum would shortly be reached and the Army would shortly commence to increase, with the recruiting machinery which was then installed.

The House members insisted that the Army could not get more than 175,000 men, on an average, for the fiscal year. The Senate conferees contended that they would get much more than 175,000 men on the average, and that matter was discussed back and forth, but not one word was said in the conference, according to my recollection, to the effect that the appropriation would limit the size of the Army.

Mr. LENROOT. May I ask the Senator a question?

Mr. WADSWORTH. In just a moment, if I may finish the statement, because I want it to appear consecutively. The House conferees and the Senate conferees could not bring their minds together for a long time as to what the number of men in the Army would actually be, on the average, during the year.

We felt that there would be considerably more than 175,000. They felt there would be no more than 175,000. Finally, the Senate conferees accepted the item proposed by the House, which, theoretically, was regarded as sufficient to pay 175,000 men. As a matter of fact, it was not big enough to pay even that number. It was cut even below that, and I think, if my recollection is correct, that I warned the Senate when the Army appropriation bill was before it that the pay items were not enough even to pay the number of men who were supposed to be available for the Army under the theory maintained by the House of Representatives.

Mr. POMERENE. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Ohio?

Mr. WADSWORTH. May I just continue a moment, and then I shall be very glad to yield. There was a distinct understanding that if by any chance the recruiting service of the Army produced more men than 175,000 a deficiency item could take care of it this winter, and I, in conference and in committee, protested against that way of doing business, for I did not think it was fair to the public, I did not think it was fair to the Congress, to proceed with appropriations upon that basis. It turns out, Mr. President, that the original contentions of the Senate conferees were correct, for, instead of having the Army reduced to 175,000, it has increased to 224,000, and we are met with a deficit.

Mr. POINDEXTER. What deficit?

Mr. WADSWORTH. We have 224,000 men in the Army, and there was not enough money appropriated to pay them.

Mr. POINDEXTER. What is the amount of the deficit?

Mr. WADSWORTH. It will be forty or fifty or sixty million dollars.

Mr. SMOOT. It is more than that amount that they are asking. They are asking for about \$100,000,000.

Mr. WADSWORTH. Not all for pay.

Mr. SMOOT. I mean the deficit for the Army as a whole.

Mr. WADSWORTH. Yes; there are deficits which they claim exist in other branches of the Army; but I am speaking only of pay.

Mr. POMERENE. The question I was going to ask is, Does the appropriation bill itself indicate that this appropriation was for an Army of 175,000?

Mr. WADSWORTH. It does not.

Mr. POMERENE. So it is blank on that subject?

Mr. WADSWORTH. It is absolutely blank on it. Simply an amount of money is appropriated for pay of the Army, and the understanding was that if the Army went above 175,000 a deficiency item would come before Congress; and I did not like that way of doing business.

Mr. POMERENE. Then, as a matter of fact, the only thing to guide the Secretary of War was the authorization?

Mr. WADSWORTH. That and common sense, which I will come to in a moment.

Mr. POMERENE. There was nothing in the statute, as I take it, which indicated that the Congress or the committees themselves were trying to limit the organization to 175,000 men?

Mr. WADSWORTH. No; nothing in the statute.

Mr. LENROOT. Mr. President, there was a specific appropriation for the pay of the Army, which in itself constituted a limitation.

Mr. FLETCHER. And it was the understanding of the conferees, as the Senator from New York says, that if that was not sufficient a deficiency appropriation would take care of it.

Mr. WADSWORTH. Mr. President, I want to be fair in giving my recollection; but I protested against it at the time, and I warned the Senate in open session that this thing might occur which has occurred. When the Congress reconvened in December—

Mr. LENROOT. Before the Senator leaves that will he not permit a question?

Mr. WADSWORTH. Certainly.

Mr. LENROOT. I have not been a member of the Military Affairs Committee very long and I would like to know if it has not been the understanding of the Senate that the size of the Army is limited to the size of the appropriations made for the Army for the fiscal year? I wish to say to the Senator that during my service in the House that was always the understanding.

Mr. WADSWORTH. Mr. President, there were some other phases of the matter which bore upon that question. I think technically the Secretary of War was within his rights; but I think he has made a great error, and I hope to explain my position upon that if I am permitted to.

Mr. NORRIS. Mr. President, does not the Senator think that when Congress appropriates for an Army of 175,000, that ought to be the guide of the official who is recruiting the Army?

Mr. WADSWORTH. I think it should be the guide. I think the Secretary has made a mistake in judgment. I am not prepared to say he has violated a law.

Mr. SMOOT. Mr. President, the Senator knows there is a statute positively forbidding the head of a department from creating a deficiency, and imposing a penalty for so doing. I have not any doubt that the law has been violated, but I am perfectly willing to say that he has acted just the same as nearly everybody else in a similar position has acted in the past. They pay no attention whatever to an appropriation made by Congress. I do not know that they ever will, Mr. President, until one of them is put in the penitentiary. We ought either to repeal the statute, or compel the representatives of the departments to live within the appropriations.

Mr. OVERMAN. Mr. President, we have had three and four and five deficiency bills. It is common practice here, and it is common practice in the House, to limit appropriations as much as possible, knowing that there will be deficiencies.

Mr. WADSWORTH. Mr. President, reverting once again for just a moment to another incident which occurred, according to my recollection, in connection with the Army legislation of last year, when the legislation was under consideration before the House of Representatives, a Member of that body offered an amendment to the effect that the Secretary of War should not create an Army greater than 185,000 men—that was the general effect of it—and the House of Representatives voted it down by a tremendous majority. That is one of the incidents which occurred. If my recollection is correct, it was a Member of the House from Alabama who offered that amendment, and the House defeated it.

Mr. President, the Congress reconvened in December, and we then discovered that in the middle of the summer the number of enlistments had commenced to increase. Through the middle of the summer and the late autumn the enlistments were rapid, much more so than ever before in the history of the country except in time of war. Shortly after Congress reconvened, when I saw that the Army was going to grow by leaps and bounds to these large figures, I myself suggested to the Secretary of War that he stop recruiting.

The VICE PRESIDENT. The morning hour having expired, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes.

Mr. NEW. Mr. President, I should like to ask unanimous consent to proceed with the consideration of the joint resolution. The Senate has spent nearly two hours in the consideration of it, and it is evident that the discussion is drawing to a close and that we will get action very shortly. I hope there will be no objection to proceeding with its consideration.

Mr. UNDERWOOD. Mr. President, I do not like to object to the Senator's request, but the unfinished business has been before the Senate a number of days, and there is pending a motion to recommit, which, if adopted, would settle the question. If not adopted, it leaves the bill still before the Senate. I am very anxious to get a vote on the pending motion this afternoon if possible. Under those circumstances, so far as to-day is concerned, I shall be compelled to object to laying aside the unfinished business.

The VICE PRESIDENT. The Senator from Alabama can not take the Senator from New York off the floor, and he may as well continue on the unfinished business.

Mr. WADSWORTH. With the indulgence of the Senate, I shall finish my statement. I assume the discussion will be resumed at another time.

As I said, shortly after Congress reconvened I took it upon myself to urge the Secretary of War to cease recruiting. I did it principally for the reason that the cost of the Army was mounting up into huge figures, and that the condition of the Treasury was such that it should not carry such a burden. Furthermore, I felt at the time that the Army, having then reached about 208,000 or 210,000, was sufficient, perhaps a little more than sufficient, for the needs of the country. The Secretary of War took the ground, which he did openly before the House committee, that the Army reorganization act was a mandate upon him to continue recruiting until it reached 280,000.

He told me personally that, lacking some resolution of the Congress directing him otherwise, he regarded the Army reorganization act as a mandate upon him to raise an Army of 280,000 men. With that construction of the law I can not agree.

Mr. POMERENE. Mr. President—

Mr. WADSWORTH. I yield to the Senator from Ohio.

Mr. POMERENE. As I recall, when the Army reorganization bill was before the Senate the Senator from New York favored an Army of 280,000. Am I right?

Mr. WADSWORTH. Yes; as a maximum, as contrasted with 297,000 urged by the House.

Mr. POMERENE. Now the Senator favors a reduction of the Army to 175,000?

Mr. WADSWORTH. I do.

Mr. POMERENE. I take it, of course, that one reason, and a very good reason, for doing it is from the standpoint of economy. Are there any other reasons in the mind of the Senator which would suggest to him that the Army ought to be reduced, or is he still of the opinion that, except for the matter of economy, the Army should be recruited up to 280,000?

Mr. WADSWORTH. Of course, if we could support armies for nothing, I would not care how large it would be, as long as it did not become a great military caste which would dominate the Government or politics of the country. I do not think an Army of 280,000 is a political danger, but of course the cost is very heavy.

Mr. ROBINSON. Will the Senator yield for a question?

Mr. WADSWORTH. Certainly.

Mr. ROBINSON. Has the Senator before him the provisions of the Army reorganization act affecting this matter? The Senator said, I believe, that he does not concur in the construction which the Secretary of War has placed upon the act, that it requires him to proceed with enlistments until the Army reaches 280,000.

Mr. WADSWORTH. I have the act before me.

Mr. ROBINSON. The language of the act has been called to my attention by the Senator from Florida [Mr. FLETCHER]. The language is as follows:

Except in time of war or similar emergency when public safety demands it, the number of enlisted men in the Regular Army shall not exceed 280,000, including the Philippine Scouts.

Mr. WADSWORTH. That is it.

Mr. ROBINSON. If there is nothing else in the act which modifies that language, of course that is merely a maximum and the construction of the Secretary of War would be open to criticism.

Mr. WADSWORTH. That is all there is in the act. It merely fixes a maximum of 280,000, except in time of war or similar emergency.

I wish to say just a word about the joint resolution. We have in the service to-day approximately 224,000 enlisted men. The joint resolution proposes to institute an immediate process of reduction to 175,000 enlisted men. At the time the joint resolution was first introduced its adoption would have resulted in forbidding the Secretary of War to permit any reenlistments. That would have had a very bad effect upon the Army, because there are many men in it who have served many years, and when their present terms of enlistment expire they would be compelled to leave the service for good, and thereby lose their right to retirement; and it would also deprive the Army of their experienced services, which are exceedingly valuable. The committee amended the measure so as to permit the reenlistment of men who may have had one enlistment. I think there can be no objection to that amendment.

Then under existing law the Secretary of War, in his discretion, is authorized to issue a discharge to a soldier who can show that since his enlistment something has occurred at home which makes his family dependent upon him and in absolute need of his support. In other words, the discretion of the Secretary is limited to the one class of cases. The committee thought that the discretion of the Secretary should be made larger, so it offered the amendment providing that the Secretary of War is authorized in his discretion to grant applications for the discharge of enlisted men who have served one year or more whose records are satisfactory to their commanding officer, without regard to the provision of existing law respecting discharges. In other words, we made the statute for the time being more liberal in the matter of discharges, to remain in effect until the Army is reduced to 175,000.

The question has been asked, I think by the Senator from Idaho [Mr. BORAH], how quickly the force will be reduced under the provisions of the joint resolution. If the resolution is passed, according to the estimate of the War Department 48,000 men will be discharged from the Army for one reason or another, mostly by reason of expiration of terms of enlistment, be-

tween January 1 of this year and July 31 next, that is, in seven months' time. There should be set against that gross loss of 48,000 men the estimated reenlistment, which the department puts at 5,200 men. Putting one number against the other, according to the best estimates which they can make the Army's net loss under the joint resolution between now and the 1st day of August next would be 42,800.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from New York yield to the Senator from Idaho?

Mr. WADSWORTH. In just a moment when I shall have finished this statement. Forty-two thousand eight hundred subtracted from 224,000, the approximate number which we have in the service to-day, will bring the enlisted strength of the Army down to 181,200 men on August 1 next, and certainly in the month of September it would strike 175,000.

Mr. McKELLAR. Mr. President—

Mr. WADSWORTH. I intimated that I would yield to the Senator from Idaho.

Mr. McKELLAR. With his permission, I wish to ask a question right in this connection.

Mr. BORAH. Certainly.

Mr. McKELLAR. I wish to ask the Senator from New York how long it would take if the amendment of the Senator from Wisconsin [Mr. LENROOT] were adopted fixing the number at 170,000? Has the Senator the figures on that?

Mr. WADSWORTH. No; I have not. I suppose it would take three or four months longer.

Mr. McKELLAR. I thought perhaps it would take about that length of time.

Mr. WADSWORTH. It would probably be done within three or four months. I now yield to the Senator from Idaho.

Mr. BORAH. The reduction about which the Senator speaks is the reduction which takes place by reason of expiration of terms of enlistment, largely.

Mr. WADSWORTH. Largely, and the preventing of new enlistments. It comes down more rapidly than one thinks. We lose 42,000 men in seven months. I know there are many people, and I am among them, who wish it would come down more rapidly, in order to save money more rapidly; but if we do not permit reenlistments, we wreck the Army in its enlisted personnel. There are sergeants who have served 20 or 25 years and have stayed in the service steadily, who at the expiration of 30 years will get retired pay and be made secure in their declining years, but who would be thrown out on the streets under the original provisions of the joint resolution. The moral contract which the Government makes with them would be violated. The committee could not tolerate a suggestion of that kind.

Not only would it be a great injustice to the men but a very severe blow to the efficiency of the Army, for, as everyone knows, the noncommissioned officers are the men who constitute the reliance of the commissioned officers for the training of the recruits and the maintenance of discipline in the ordinary sense.

Mr. BORAH. Referring to section 2, I take it that if the Secretary of War should, after the 4th of March, be disposed to favor a large Army, section 2 would be practically a nullity.

Mr. WADSWORTH. It is left to his discretion, of course; but his discretion is much widened by section 2.

Mr. BORAH. Still it is his discretion, and if that discretion should be exercised, that is to say, if the Secretary of War should be desirous of keeping up the Army, of course, the widening of it would not help at all.

Mr. WADSWORTH. That is a question of the human equation. I can not answer the Senator's question definitely. The Secretary could refuse to discharge anybody. He could contend that no one in the Army had made a case for discharge. Of course, that would be a most extreme state of affairs.

Mr. BORAH. Of course, it is an extreme state of affairs, but it is a kind of extreme with which I have had some experience. The only thing I desire to call to the attention of the Senator is that while I have not any doubt the committee worked this out, yet it seems to me there ought to be some way by which that discretion could to some extent be controlled.

Mr. WADSWORTH. That is a very difficult question, Mr. President. The committee discussed that very matter for a long time, and we could not reach any other conclusion on it than to the effect that Congress could not direct the discharge of men without destroying the very discipline of the force itself.

I do not intend to discuss this subject any longer to-day. There are some other phases of it. I simply say in conclusion, in order that the discussion of the nitrate bill may proceed, that I hope the amendment of the Senator from Wisconsin [Mr.

[LENROOT] will not prevail. I believe that arbitrarily to direct a reduction of the Army to 150,000 men would be going beyond the safety point of the general situation as it now exists.

ATMOSPHERIC NITROGEN.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3390) to provide further for the national defense; to establish a self-sustaining Federal agency for the manufacture, production, and development of the products of atmospheric nitrogen for military, experimental, and other purposes; to provide research laboratories and experimental plants for the development of fixed-nitrogen production, and for other purposes.

Mr. UNDERWOOD. Mr. President, I hope that I shall not detain the Senate a great while in the discussion of the pending bill. I understand the question now before the Senate is the motion of the Senator from Wisconsin [Mr. LENROOT] to recommit the bill to the Committee on Agriculture and Forestry.

The PRESIDING OFFICER. The Chair understands that the motion is to recommit the bill with all amendments to the committee, including the amendment pending.

Mr. UNDERWOOD. Mr. President, before discussing the pending motion, which it is my purpose to discuss, I wish to send to the desk a telegram which I received this morning from C. E. James, of Chattanooga, Tenn., who was largely instrumental in the building of the great dam near Chattanooga, at Hales Bar, and I ask that the telegram be printed in the Record, as there are certain facts in it which Mr. James desires shall be called to the attention of the Senate.

The PRESIDING OFFICER. Without objection, leave to do so will be granted. The Chair hears none, and it is so ordered.

The telegram referred to is as follows:

CHATTANOOGA, TENN., January 9, 1921.

Hon. OSCAR W. UNDERWOOD,
United States Senate, Washington, D. C.:

I notice some controversy going on in Washington in regard to the ten million appropriation for Wilson Dam, Muscle Shoals. I consider the Government is under moral obligation to carry out the agreement that the Rivers and Harbors Committee made with me when I undertook to finance and build the Hales Bar Lock and Dam, 32 miles below Chattanooga. The agreement was so plain and of such a nature that I could force an individual to carry it out, but with the Government of course I could only depend on the moral obligation. The facts are these: I think it was in 1904 when Hales Bar Lock and Dam bill was passed by both Houses in Congress; Theodore W. Burton was chairman of Rivers and Harbors Committee of House, Roosevelt was President, and Taft was Secretary of War. I had a meeting with the committee in the presence of JOHN A. MOON, and every member of Rivers and Harbors Committee of House was present as Mr. Burton advised me at the time of the meeting. The bill as granted for the Hales Bar Lock and Dam gave the city of Chattanooga six months in which to accept the obligation. Mr. Burton as chairman told me he wanted an agreement with me individually before they would pass the bill; that he did not believe the city of Chattanooga would assume the obligation. He said there was continual rivalry for improvement on the upper Tennessee district and the lower part of the Tennessee in Alabama, and if I would agree with the Rivers and Harbors Committee that I would finance and procure individual money to build the Hales Bar Lock and Dam that it would relieve the Government of this expenditure in the upper Tennessee, and if I would agree to do that they would immediately pass the bill. I asked Congressman Burton if I should assume that obligation right at that present meeting. I wanted to know what the Government would do with regard to Muscle Shoals; that we wanted that open. Mr. Burton stated that they were going to work on Muscle Shoals project and would have that completed and that the Rivers and Harbors Committee would guarantee and stand behind the Muscle Shoals proposition until it was finished, and as he said every member of the Rivers and Harbor Committee was present and the most of them he hoped would be alive and still in Congress at the time I got the Hales Bar finished; that I could consider that a moral obligation of the Government, backed up with the full consent and approval of every single member of the Rivers and Harbors Committee. I told him at the time that I would go ahead and get private capital to build the lock and dam at Hales Bar, but I called his attention to the fact that I had nothing more than the moral obligation of Congress to continue the work and finish Muscle Shoals Dam, and he told me that I could afford to trust the moral obligation that he assured me then of the Government. There was present at that meeting besides the Rivers and Harbors Committee H. S. Chamberlain, Willard Warner, C. W. Olston, and C. D. Mitchell, representing the Chattanooga Chamber of Commerce, and this statement is well known to every member of the Rivers and Harbors Committee at the time that bill was passed. I have since called Senator Burton's attention to the fact a few years ago that the Government was not carrying out the contract that he made to me, and he wrote me that he was in favor of that dam being built and had been all the time and that he remembered very well the inducements that the Rivers and Harbors Committee held out to me to induce me to assume the large task and obligation of raising the money necessary to build the Hales Bar Lock and Dam which cost about \$12,000,000, and that relieved and made navigable the rapids in the Tennessee River from near the Alabama line up to 5 miles above Chattanooga, a distance of about 35 miles. The first bill that was passed and the one that I refer to gave the city of Chattanooga six months to assume the work first; after that it gave C. E. James and J. C. Guld the right to assume the obligation and build the dam. Now, this large expenditure for the dam did not cost the United States Government one cent except the lock gates, and they obtained through my efforts and expenditure of private capital of something like \$12,000,000, and the Government has the right to take over this power plant at any time it sees fit to do so. The Rivers and Harbors Committee were so anxious to get this private money invested in that enterprise that they made me give a

bond of \$100,000 that I would cause this lock and dam to be built. I considered that by using my best efforts and getting the money to build this upper dam that I would really be the cause of having the Tennessee opened from Chattanooga to the Mississippi. This is an obligation well known to all that committee, and you can easily find out their names and, had it not been for the positive assurance of the committee in regard to Muscle Shoals I doubt if I ever would have undertaken such a stupendous job as raising \$12,000,000 for putting in a lock and dam at Hales Bar. Congress and the Senate and the United States Government have no right to make a moral obligation with a private citizen to induce him to use extraordinary efforts to develop all rivers and then, when he has completed his agreement, that the Government or any Member of Congress or the Senate should vote against the Government in not fulfilling its moral if not legal obligations. These statements you can verify by Mr. Burton, Mr. MOON, and any member of the Rivers and Harbors Committee of the date the original bill was passed. Please bear in mind that four years later when we had struggled with the undertaking and consumed all the time allowed us at first, the new bill was passed giving us two more years to complete our job and make a present of the lock and dam, overflowed land into real estate to the Government. No doubt a large number of that committee are still in Congress in the Senate and know these facts.

Very truly, yours,

C. E. JAMES.

Mr. UNDERWOOD. Mr. President, I wish to state to the Senate why I do not think a motion to recommit the pending bill should be acted on favorably. Of course, I understand that the proposal of the proponents of the measure to have the bill recommitted is on the basis that the bill has not had proper consideration by the Committee on Agriculture and Forestry. If that were true, if the bill is not in due form, if the question which it involves has not been properly worked out by the committee, it goes without saying that the bill should be recommitted; but I think it is very far from the fact to so contend.

In the first place, I find that this bill was introduced in the Senate, by request, by the Senator from New York [Mr. WADSWORTH] on the 3d day of November, 1919. The bill has, therefore, been before the Senate for more than a year. On the day that the bill was introduced it was referred to the Committee on Agriculture and Forestry. That committee, on the legislative day of the 24th of May, 1920, authorized the Senator from South Carolina [Mr. SMITH] to report the bill back to the Senate with an amendment. The committee not only reported the bill favorably but there were voluminous hearings on the bill filling a volume of a good many hundred pages.

More than that, the bill was not prepared in an offhand way. It was prepared by the officers of the Ordnance Department of the United States Army, who have a completed plant on their hands that must be operated in some way. They prepared the bill from the viewpoint of operation, after it had been considered from all the angles which presented themselves by experts from the standpoint of business success, by experts on the chemical questions involved, and by experts on the Army questions that were involved. After voluminous hearings and carefully considering the manner in which the bill was prepared, the Committee on Agriculture and Forestry reported it in to the Senate.

Mr. President, I have followed the progress of this proposed legislation in reference to securing nitrogen from the air in one or the other Houses of Congress for a good many years. My first introduction to the question was when an effort was being made to secure the use of hydraulic power on the Coosa River, in Alabama, to operate the air-nitrogen plant which is now located in Canada. The bill was passed by both Houses of Congress, but President Taft afterwards vetoed it. Then the plant was established in Canada.

Step by step this question has advanced in Congress, but I do not know of a single step that has been made except against the resistance of interested parties who desire to prevent development of this kind in the United States. I endeavor to judge no man, and I am not here by innuendo or insinuation to reflect on the motives of the opponents of various bills of similar character and of this proposition, except to say that their business and personal interests evidently lead them to oppose legislation of this character. I do not say that it is not natural for men to follow such inclinations and few men are big enough and great enough to rise above the personal equation. So what I have to say in reference to the pending measure I hope will not be regarded as any intended reflection on the opponents of the bill.

I can readily understand that men who are engaged in the manufacture of powder as a private business, the Government of the United States being the greatest consumer of powder, naturally do not desire the Government to enter that business or a business that is so closely allied to it as is the production of nitrogen. I can also readily understand that men who are engaged in the business of making fertilizer to sell to the farmers and who have their capital invested in that business

are not desirous of having the Government embark upon an undertaking that may, at least in part, preempt the field of business that they now desire to occupy; and I can also understand that men who are in the business of manufacturing coke and from it extracting the by-products, one of which is ammonia, are not desirous of having a plant inaugurated that may make nitrogen and to a small extent at least become a competitor in the market where they sell their product. I know that those gentlemen from the inception of this class of legislation, from the hour seven or eight years ago when the first proposal was made to put a dam across the Coosa River and manufacture nitrogen products from the air, have opposed it. I have in my files a brief that was presented to me then by men who controlled the patent rights on the by-products of coke ovens. It was a well-prepared brief, an able brief, upon their side of the problem; they had a perfectly legitimate right to present it, and I am not criticizing them for doing so. I merely call the attention of the Senate to the fact that that class of opposition from that hour down to this has stood across the path of this legislation, and will continue in its path until it is either finally defeated or ultimately consummated into effective legislative enactment.

I say that by way of illustrating much of the criticism which is directed against this bill. It is criticism that is reflected in the Senate, because the same criticism that comes to my office from interested parties on the other side is ultimately reflected on the floor of the Senate, and much of it is that character of criticism that is prepared dogmatically to defeat the proposal, and not criticism that is carefully considered and thought out from a legitimate standpoint.

Of course, I recognize the fact that there is an issue before the Senate as to whether or not we shall engage in this business at all, and that is a perfectly legitimate question of discussion—as to whether the Government of the United States shall engage in the manufacture of nitrogen. I know it is proclaimed that there is a great development in by-product coke and that from that field the Government of the United States can secure in the future the opportunity to defend the country against attack in time of war. Therefore it is said we should not go into the business ourselves. I know it is contended by many that the Government should not engage in business at all and that these lines of endeavor should be left open to private business alone. So far as I am concerned, I agree to the general principle; but, like all other principles, there are exceptions to the rule, and the Government has made those exceptions in the past; and one of the great exceptions to this rule has been under the war power of the Government.

It is nothing new for the Government to invade the province of private business to protect its war arm. We have built battleships in Government yards. We have the only great gun plant for the manufacture of heavy ordnance for the Navy Department located here in Washington. We are in the business of making small arms. We are in the business of making powder. Although the Du Pont Co. makes the great portion of the powder that is consumed by the Government in peace and in war, yet long years ago the Government adopted the policy of having powder plants of its own in order that it might ascertain more accurately the cost of production. And so I might go on ad infinitum, demonstrating the fact that this is no venture; that the Government of the United States has time and time again invaded the province of private business in manufacturing and developing enterprises in order that it might strengthen the war power; and it has not confined itself to the war power, but it has invaded the field of private business in other directions.

So far as the war power is concerned, however, I do not think there can be any question that where it is necessary to protect the present life of the Nation or the future life of the Nation the Government should insure the people of the United States the protection that a government owes to them by seeing that we have the facilities of protection should we ever become engaged in war again; and the very basis of it all in modern civilization is nitrogen.

You may build your battleships, you may enlist your men, you may provide for your supplies, you may bring them to the battle field, but when you fail to have an adequate supply of nitrogen you are incapable of the manufacture of powder, and in modern warfare without powder your guns are worthless, your troops stand only for sacrifice, and defeat and disaster must be the only result of your folly. That is illustrated in other nations. Since it became ascertained that nitrogen could be extracted from the air there is not a great civilized nation on this globe that has not developed great nitrate plants; and the German Government would have met with final disaster during the first six months of the war if it had not fore-shadowed the coming of events and provided nitrate plants at

home from which it could abstract the nitrogen to be used on the battle field.

Of course, in answer to that proposition the opponents of the bill, those who have followed the trail of it with the purpose of bringing about disaster to it, have always contended that the by-products of coke were an ample protection for the Government; but there can be no more complete and absolute answer to that claim than the history of Germany itself. The first great development of by-product coke came from Germany. For years before the outbreak of this war practically every coke oven in Germany was a by-product coke oven and manufacturing its supply of nitrogen, and yet notwithstanding that we found the greatest development of air nitrogen plants in the world in Germany, showing that they knew, even if the American Congress can not ascertain the fact, that you can not stand on the production of your coke ovens to save the life of your Nation when the hour of peril comes. That is manifest. Coke in the main is used only for the manufacture of iron. There is a limit to the consumption of iron, and necessarily a limit to the production of coke; and if the coke ovens in America were all converted into by-product ovens the supply would not be adequate for war purposes, much less for the growing purposes of peace.

If the Government does not engage in this proposition of taking nitrogen out of the air, there is no indication that private industry will do so; and if you strike down and abandon this bill, we will find ourselves again where we were in 1918, when we were dependent for our supply of nitrogen on the Chilean nitrate beds, with thousands of miles of sea lying between us and our supply, our troops on the firing line, and an inadequate supply of powder to sustain them. That is the condition in which we found ourselves in the summer of 1918, when the President ordered that this plant be built, and built within a year, under the stress of the war.

It is said here that this method of making nitrogen has become obsolete; that newer methods have been found; and when you ask those who say this, they say something about the Haber system of Germany.

Mr. President, the real facts of the case are that the great nitrogen plants of the world are either the arc-process plants found in Norway or the cyanamid-process plants of the other nations; but the only nation in the world that is manufacturing nitrogen through the Haber process to any appreciable extent is Germany, and why? Because the arc process and the cyanamid process require power—hydroelectric power—if you want to accomplish the result cheaply; and Germany has no water power. The only way she could use these processes was by the expensive use of coal. Therefore she was driven to the synthetic process of manufacturing nitrogen rather than the direct process of using hydraulic power in the arc process or the cyanamid process; and notwithstanding her loss of power and her need for power, even then during the war she built great nitrogen plants and used her precious coal to fire them in order that she might get the nitrogen necessary to carry on the war.

There is not one fact that I have ever heard in any of these investigations which goes to show that this great power plant No. 2 at Muscle Shoals, the cyanamid-process plant, is not a thoroughly up-to-date plant, and manufacturing nitrogen in the best known and cheapest way of manufacture. I admit that the development of the manufacture of nitrogen from air in commercial quantities, and on a commercial basis, is a comparatively new art. It is a developing art, and in the course of time I have no doubt there will be great improvements made. But that very fact, in my judgment, only leads up more surely to the conclusion that we should keep this plant in operation.

We do not want to use it to make powder, because that would be a waste of money in times of peace. We do not need this great plant making powder in times of peace, and we can not manufacture powder and store it for times of war, because the powder, after a number of years, will deteriorate and not be effective. If we want to keep this plant in step with the advance of the science, we must operate it, and keep it in operation, or it will become obsolescent, and the only way to do that is to produce nitrogen for uses in the commercial arts, instead of for war purposes, and the greatest consumption of nitrogen for that purpose is as fertilizer. It seems to me it is a very proper field in which the Government should function and use this plant in time of peace.

More than that, under section 124 of the national defense act the executive branch of the Government has been given the direct mandate and order that when their product is not needed in time of war these plants shall be operated to manufacture nitrogen for fertilizer in time of peace for the great development of the country.

I am not going to take up the time of the Senate to-day in demonstrating how badly the people of America need fertilizer,

in pointing out how much greater is the production of the farms of Germany and England and France, where fertilizer is used in large quantities, than in America, where it is sparsely used. That has already been done by those who can say it better than myself. But we can not get away from one proposition that is most vital to the life of the Nation and of the American people—that if we want to obtain a larger production of food products at a cheaper expenditure of money there is but one way in which it can be accomplished, and that is to enable the farmer to raise greater crops with the same amount of labor on the same amount of land, and that can be accomplished only in one way, by the abundant use of a cheap fertilizer.

It has been said by the wisest statesmen that the overthrow of the great nations of the world can only come from two sources, one a conquering army and the other the depletion of the fertility of the soil. Of the two I am inclined to believe that the depletion of the fertility of the soil is a more certain death sentence to the life of a nation than to be overwhelmed by a conquering army, because with the conquering army the life and the spirit of the nation may yet live, but with the depletion of the soil and the lack of food the only thing that can be expected is the downward trend of the national vigor and the national life, until the national existence is snuffed out.

Yet, when there appears the sole opportunity of this Nation to put itself in line with modern inventions and modern movements, to produce the one article which means the survival of an army in time of war and the development of the fertility of the soil in time of peace, we find that the Capitol of the United States is surrounded by an army of lobbyists, who are here fighting for selfish interests in opposition to national good and national life. There is no question about that. As I said in the beginning, I am not standing here to say this as a personal reflection on the persons who throng these galleries and call at the corridors of the Senate. They have a right to present their side of the case. But the Senate of the United States has no right, with the life of the Nation at stake, to yield to the selfish arguments of men who are fighting for dollars and not for principles.

Mr. President, it is proposed to destroy this bill by sending it back to the Committee on Agriculture and Forestry on the motion of the Senator from Wisconsin [Mr. LENROOT]; and I say destroy this bill advisedly, because there is not a Senator on this floor who does not know that if the bill is referred back to the committee at this late day of the session, with the great supply bills of the Nation about to press for time in this Chamber, there will never be another opportunity at this session of Congress to consider the bill for its passage.

Why should we refer it back? It has been before the Senate now for days, with ample debate, ample opportunity to offer amendments, and but few amendments have been proposed.

In his argument the other day the Senator from New York [Mr. WADSWORTH] contended against the bill in its present form, because he said its details had not been thought out and the Senate had not amply guarded the provisions of the bill.

Mr. President, what does the bill propose to do? It proposes to create a Government corporation; not a private corporation, but a Government corporation, every share of the stock to be in the hands of the Secretary of War, to be cast by him in electing a board of directors, and the board of directors have the same power to function that the board of directors of any other corporation has. To function on what? The operation of a nitrogen plant, which is already built and in existence, to manufacture nitrogen for powder in time of war and fertilizer in time of peace. Now, I ask any lawyer in the Senate, if he was going to organize a private corporation to do this business would he put any further limitations on them than that proposed? Would he limit its endeavor, if it were a private corporation, to the operation of the plant for the main purposes of its creation? No; he would not. The only man to whose mind such a limitation is apt to occur is the man whose mind dwells along the line that this corporation must not trespass on the rights of certain private business, and that the private business must be protected against Government operation. I am not one of those who believe in the Government engaging in commercial operations, as a rule, but when it comes down to that class of operation that is necessary, from a military standpoint, to protect the Nation, then I think the Government should operate, and when it does operate it ought to be given full scope to operate successfully, and not with those limitations on it that would prove disaster and defeat to the enterprise. There is no reason that I can see for any limitation on that score. If we are looking at it from the standpoint of the success of Government operation, the limitation that is on it is the capacity of the plant, and that capacity can not be enlarged without further enactment of legislation by Congress.

I notice that in the debate of days here the opponents of this measure, who are now contending that it shall be sent back to be throttled in a committee, have offered amendments to the bill. It is reasonable to suppose that such amendments as they thought were necessary for the proper operation of this plant would have been offered after the many days' debate we have had. What do they indicate? The Senator from New York [Mr. WADSWORTH] proposes to strike out, on the third line of the bill, the words "Secretary of War," and insert in lieu thereof the word "President," wherein it relates to the power of appointment of the board of directors. That is not a material amendment. The Secretary of War is appointed by the President, and the presumption is that he will follow the principles the President believes in, or retire from office. So far as I am concerned, it is a matter of indifference to me whether the bill stands authorizing the Secretary of War to appoint the board of directors, or fixing the power in the President. I see no reason why the bill should be referred back to the committee for that matter.

Then, in a number of other instances where the bill gives certain powers to the Secretary of War, the Senator from New York proposes amendments giving those powers to the Secretary of the Treasury. That does not go to the life of the bill. I do not know that it would seriously injure anything if his amendments were adopted, except that it seems to me manifest that when you have a great plant whose primary purpose is making nitrogen for powder it should be controlled by the Secretary of War, as a part of the war arm of the Government, rather than the Secretary of the Treasury, who is engaged in finance.

The Senator from New York also offers another amendment, on page 8, by which he seeks to strike out the capitalization of the corporation as provided in the bill, and to increase that capitalization so that it will reflect the cost of this plant. That is not a question that it is necessary for a committee to pass on. The issue is very plain about that amendment. As the bill was reported, it was not intended to make this corporation pay the war cost of the building of this plant, the losses which were due to its hasty construction and building, and fix that as a charge upon the American people when they desire to buy fertilizer. Therefore the capitalization was comparatively small and the charge on the plant for capitalization small. Evidently it was not the intention of the committee to carry along these war costs and put them on the consuming masses of the American people in the future, but to make the burden light.

The proposed amendment does not go to the full extent of the war costs, but seeks, in the shape of bonds bearing 5 per cent interest, to force this corporation to pay back its actual value and a part of the war cost to the Government. That is easily understood. There is no necessity to send the bill back to the committee to determine the amendment. So far as I am concerned, I wish to see the corporation successfully operated, so the burden of its operation will not rest upon the American people, but after that I should be glad to see those who produce the food of America obtain fertilizer as cheaply as possible, in order that the cost of food to the American people might be reduced. But if any Senator thinks otherwise, here is the amendment. It is not necessary to stop the arm of the Government and send it back to committee to determine which we desire to take. It is merely the question of a vote on the simple proposition whether we want, on the one side, the consuming masses of America to receive the benefits of the bill, or, on the other side, whether we desire to erect a wall to protect private industry.

Another amendment offered by the Senator from New York [Mr. WADSWORTH], on page 5, proposes to limit the manufacture at the plant to ammonium nitrate, ammonium sulphate, any cyanamid, which, to a large extent, are the raw materials of fertilizer. Of course, I know that cyanamid can be used directly as a fertilizer. The other two products are the raw materials from which fertilizer is manufactured. The bill is broad enough in its scope to allow the board of directors to manufacture anything along the fertilizer line with nitrogen alone, if they are successful in operation and have the money to carry it on.

So far as I am concerned, if I were going into private business to establish it, I would not limit my private business to the manufacture of raw materials for some one else to use. I would give an opportunity for that private business to go into the field of production that would enable it to sell its products as finished material. Unless we are so tenderfooted that we dare not step one foot within the domain of competition with private business, there is no reason whatever why the scope and power of the corporation should be limited to the production of raw material instead of the finished product.

But that is not a question that it is necessary for the committee to decide. We make nothing by sending the bill back to the committee to decide that question. In its last analysis it must be decided here on the floor of the Senate. It is not intricate; it is not difficult. Any man can understand it. It is here. It is so simple that one may read it as he runs.

Mr. WALSH of Massachusetts. Mr. President—

Mr. UNDERWOOD. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I should like to ask the Senator from Alabama, though I think the Senator is not a member of the Committee on Agriculture and Forestry, if it is a fact that the Secretary of War and the Secretary of Agriculture and the unanimous membership of the Committee on Agriculture and Forestry favor the bill?

Mr. UNDERWOOD. I know that the Secretary of War favors it because his letters are here. I think the Secretary of Agriculture favors it.

Mr. WALSH of Massachusetts. And there is a unanimous report from the committee favoring it?

Mr. UNDERWOOD. So far as I know that is true, but the Senator from South Carolina [Mr. SMITH] can advise the Senator more certainly on that point, as I am not a member of the committee.

Mr. WALSH of Massachusetts. Is it a fact also that the only opposition to the measure on record before the committee was more or less of a selfish character, namely, opposition from people engaged in the fertilizer business who object to Government competition?

Mr. GRONNA. If the Senator from Alabama will yield—

Mr. UNDERWOOD. Certainly.

Mr. GRONNA. I wish to say as a member of the committee who heard the testimony—I might say all the testimony—that the Secretary of War, Mr. Baker, appeared before the committee with his staff. He was very much in favor of the bill, and his staff of experts indorsed it. The Secretary of Agriculture did not appear before the committee, but Dr. Whitney, who is in charge of the Soil Survey of the Department of Agriculture, appeared before the committee and advocated and recommended this particular legislation.

It is also true, as the Senator from Massachusetts has stated, that the only opposition to the bill before the committee came from men interested in the manufacture of nitrogen and the manufacture of fertilizer. So far as I know, those were the only people who had any objection to the legislation.

Mr. WALSH of Massachusetts. So all the public officials whose duty it is to have the public interest at heart approve of the bill?

Mr. GRONNA. Yes.

Mr. WALSH of Massachusetts. Was the report of the Committee on Agriculture and Forestry unanimous or practically so? Was there any opposition in the committee?

Mr. GRONNA. I was not present in committee when the bill was ordered to be reported. I am in favor of the bill and—

Mr. SMITH of South Carolina. It was a unanimous report, several members reserving to themselves the right to move to amend the bill in certain particulars on the floor of the Senate.

Mr. KENYON. Mr. President, I think the Record ought to be made correct on that point.

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Iowa?

Mr. UNDERWOOD. I yield.

Mr. KENYON. I am not expressing my view about the bill when I say this. With the exception of the Senator from South Carolina [Mr. SMITH] and one other Senator on the committee, I have never been able to learn of any Senators who were present when the bill was ordered reported out. I was not present. Having been engaged in other committee work during most of the hearings, I was not able to attend many of the meetings. How many members were present when the bill was ordered to be reported?

Mr. SMITH of South Carolina. I think the chairman of the committee will bear me out when I say that, after having been discussed and the hearings that are now on the desks of the Senators having been had, there were questions asked and discussion had of the bill by practically all of the members of the committee. At the time the bill was ordered reported out I do not recall, but my impression now is that there was a comparatively full membership present, and I was authorized to report the bill favorably, with the understanding, as I have just indicated, that certain members reserved the right to offer amendments on the floor of the Senate.

I did not hear, and I think the Senator from Iowa will bear me out, one word of adverse criticism in the committee from any member of the committee as to the principles involved in the bill or as to any particular feature of the bill.

Mr. KENYON. The only question on which I was seeking light was the suggestion of a unanimous report from the committee. In a technical way that is true, but I have very serious doubts if a majority of the Committee on Agriculture and Forestry were present when the bill was reported out.

Mr. SMITH of South Carolina. I am not advised as to that, but I think the impression was very general, and I think the Senator will bear me out, that there was no opposition whatever to the principles involved in the bill. I heard no specific objection to any section of the bill. It was gone over pretty generally. However, there was reserved the right by certain Senators to offer amendments on the floor of the Senate, if they saw fit. It being so universally understood that the principles of the bill and perhaps the bill itself were agreed to, it was reported out. I do not recall how many were present at the time, but certainly a quorum.

Mr. KENYON. I never feel like complaining when I am not able to be present at a committee meeting. Just at that time I was engaged in the work of the committee of which I happen to be chairman, but I have inquired of four or five Senators, members of the Committee on Agriculture and Forestry, none of whom were present, and they did not seem to understand that the bill was to be reported out. I certainly did not understand it. I thought there would be further consideration of it in the committee.

Mr. UNDERWOOD. I am not a member of the Committee on Agriculture and Forestry, and, of course, I do not know what occurred.

Mr. STANLEY. Mr. President—

Mr. UNDERWOOD. I yield.

Mr. STANLEY. Along that line, I will state that there are over 500 pages of the hearings, showing that the bill was indorsed by the experts and by the commissioners who examined the question in Europe and in America and by the Secretary of War and by the Ordnance Department. The National Board of Farm Organizations appeared, through Mr. Bower, and strongly urged it. The National Grange appeared, through Mr. Atkeson, and urged it. The hearings were continued for some time, and the only opposition that I can find in the hearings anywhere, the only witness I find who appeared against it, was Mr. Washburn, who had been for two years urging the Government to do this thing, who claimed that sulphate of ammonia could be made for \$17 a ton and that this was the best place and cheapest place to use the best process. Afterwards, when the Government proposed to run the plant in opposition to certain plants of his, he appeared in violent opposition to it, and his testimony comprises possibly 50 or 60 pages of the hearings.

Mr. WALSH of Massachusetts. So that, so far as the committee heard evidence, they were placed in the position of deciding upon the position of those who represent the public—the public officials—and the judgment of those who had selfish interests against competition?

Mr. STANLEY. And those who had the selfish interest were forced to appear and absolutely contradict everything they had ever said before.

Mr. UNDERWOOD. I am not a member of the Committee on Agriculture and Forestry, and, of course, do not know what occurred at the meetings; I was not there. Suffice it to say the bill could not have been reported to the Senate legitimately, properly, and legally without a majority of the committee were present, and if less than a majority of the committee saw fit to report, or attempted to report, the bill a single point of order would have sent it back to the committee. With the violent opposition that exists here to-day against the bill and the trail of the opposition that has followed it from the beginning, I have no doubt if such a thing occurred a point of order would have been made as soon as the report came to the Senate.

Mr. GRONNA. Mr. President—

Mr. UNDERWOOD. I yield.

Mr. GRONNA. I do not wish to shirk any responsibility. I wish to state that I authorized the Senator from South Carolina [Mr. SMITH] to count me present at the committee meeting, and that I was in favor of reporting the bill out and making a favorable report. It is true, as the Senator has stated, that some of us thought there ought to be some slight amendments. I make that statement, because the inquiry was made as to how it was reported out, but the Senator from South Carolina did have authority to count me present, to which proceeding, of course, generally there is no objection by a committee.

Mr. SMITH of South Carolina. There was certainly a majority of the committee present when the bill was voted out, and it was the opinion of myself, and I think of every other member of the committee, that there was practically a unanimous sentiment in favor of the principles of the bill, reserving to the individual members the right to offer certain amendments as they saw fit when it came to the floor of the Senate.

Mr. RANDELL. Mr. President, will the Senator from Alabama yield to me for a moment?

Mr. UNDERWOOD. I yield to the Senator from Louisiana.

Mr. RANDELL. I should like to add that I am a member of the Committee on Agriculture and Forestry; I was present during a great many of the hearings on the bill; and I desire to corroborate the statement of the Senator from South Carolina as to the impression which was made upon him. I thought every member of the committee was in favor of the bill, or at least of the general idea of the bill. If there was any objection on the part of members of the committee I do not remember it having been stated in our discussions. I can not now remember whether or not I was present when the bill was reported from the committee, but I certainly was in favor of it.

Mr. UNDERWOOD. Mr. President—

Mr. GRONNA. Will the Senator from Alabama yield to me for just a moment?

Mr. UNDERWOOD. I yield.

Mr. GRONNA. I think it only fair to those who are interested in the manufacture of fertilizer—and I refer to them in no spirit of criticism, for they are engaged in a legitimate industry and are manufacturing a product which is indispensable—to say that there was complaint made by some of the fertilizer manufacturers after the hearings were closed. I know, however, that some of their representatives were present at many of the hearings, and, although they were not heard, they had the privilege of filing reports or having letters printed. I make this statement because the Senator from Kentucky [Mr. STANLEY] stated that the only opposition he could find in the hearings was from Mr. Washburn. There is opposition to the bill by Mr. Huntington, the president of the National Fertilizer Association.

Mr. UNDERWOOD. That is what I said, that the opposition came from the fertilizer and by-product men and others who were selfishly interested in the manufacture of fertilizers or nitrate.

Mr. GRONNA. Yes.

Mr. UNDERWOOD. Mr. President, to return to the base from which I was arguing, the question as to whether or not the bill should be recommitment, I desire to say that the next amendment which I find proposed is one by the committee. In substance it proposes to authorize the Secretary of War to sell a certain amount of Chilean nitrates which are on hand and to use the money arising from such sale as a working capital for the proposed corporation. That amendment is not yet embodied in the bill. It is an amendment proposed by the committee. I think it is a wise amendment, but that is neither here nor there. There is no reason to send the bill back to the committee because of that amendment. The Senate is intelligent, or is supposed to be so, and is perfectly capable of understanding the proposed amendment and expressing judgment on it, either favorably or unfavorably, without another reference of the bill to the committee.

I have stated all of the amendments of which I am aware which have been suggested or proposed to the bill save one. I do not know that such an amendment as that to which I am about to refer has as yet been proposed, but some of those who probably are in opposition to the bill and interested in the sale of electrical power or its development have sent this proposal to my office for my consideration:

Page 6, line 2, after the word "aforesaid," insert the following: "Provided, That surplus electrical energy or the right to develop such energy from surplus waters not required by the corporation for the manufacture of nitrogen products shall be disposed of as provided by the act of Congress approved March 10, 1920, known as the Federal power act."

They stated they thought it was fair, if the Government was going to have surplus power to sell, that it should be sold under the same limitations and restrictions under which private industry was compelled to sell, and that, therefore, the sale of such surplus power should be regulated by the Federal power act. In other words, they did not want unlimited competition to come from the Muscle Shoals plant on the part of the Government, but they and other industries wanted protection from the Government development there. I do not think they are in any danger. I should not like to see the proposed corporation enter into any long time contracts for the sale of power, certainly not for a longer period than the 50-years contemplated in the power act, because we may need the surplus power at some time for governmental purposes; but I do not see why we should restrict the opportunity of the corporation to make some money for the Government out of the sale of surplus power that is not needed to manufacture nitrogen for powder or for fertilizer.

Mr. WADSWORTH. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. UNDERWOOD. I yield.

Mr. WADSWORTH. The Senator has indicated that surplus power from the dam is to be sold. Do I understand him to mean by that the secondary power?

Mr. UNDERWOOD. I was not referring either to primary or secondary power. The suggested amendment assumes that there is going to be surplus power. I was assuming that the amendment was directed at surplus power.

Mr. WADSWORTH. The plans of the gentlemen who drafted the legislation and appeared before the committee—and it is upon those plans that this whole project is based—are to the effect that only secondary power from the dam is to be used for the manufacture of nitrates, and that the primary power is not to be used at the nitrate plant at all.

Mr. SMITH of South Carolina. If the Senator from Alabama will allow me, I desire to ask was that brought out at any time before the committee?

Mr. WADSWORTH. It was; that is a part of the scheme; and the testimony so discloses.

Mr. UNDERWOOD. If the Senator will allow me, that is neither here nor there. Under the pending bill we are seeking to organize a Government corporation and to give it the power of other organizations. When your new administration comes in—because it will not be our administration—if this bill becomes a law and the new President of the United States selects a Secretary of War who shall appoint the board or appoints it himself, I am going to assume that he is going to appoint intelligent, patriotic, honest business men to run this venture who will obey the laws of Congress and operate the plant to the extent of the power that is necessary to make nitrogen for fertilizer, and that part of the power which is not necessary for that purpose they will sell, whether it is secondary or primary. There is no limitation in this bill on their action in that regard, and there should be none.

Mr. WADSWORTH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. UNDERWOOD. I yield.

Mr. WADSWORTH. The purpose of my interruption was to point out to the Senator that the business of the proposed corporation has been outlined, in so far as the use of power is concerned, by the so-called Government experts who appeared before the committee.

Mr. UNDERWOOD. The Senator knows that they can not limit the operation of this bill.

Mr. WADSWORTH. And all of the estimates as to the cost of turning out the product are based on a certain line of action. Now, if the Senator proposes upon the floor of the Senate or intimates upon the floor of the Senate that an entirely different line of action is to be taken and that the nitrate plant is not to be run upon secondary power, but upon primary power, then we must revise the estimates completely.

Mr. UNDERWOOD. I have not intimated either; I have said nothing about either. If the Senator from New York were organizing a business corporation, however, I do not think that he would think it necessary to disband his corporation, organized for a necessary and practical purpose, because the original proponents of its organization concluded to change their manner and mode of procedure. It is not necessary for us now to determine whether or not the proposed corporation is going to be a financial or business success; the experts say it will be, but the proposition before the Senate is—and we can determine the question in no other way than by actual experience—to try to see if it can be made a success. The Government will retain control of the corporation and will hold the stock; it can discharge the board of directors when it sees fit; it can control the situation; and the only way we can determine whether or not the plant can be successfully operated is to give the directors the opportunity and the scope to attend to their business as we would do if it were our own private affair, and then let them demonstrate whether or not the plant can be successfully operated. But if it be said by some that they will not take the chance, if that be their position, why recommit the bill to the committee? Why not defeat the bill and let the great nitrate plant lie idle and become obsolescent? In that event in the years to come, perhaps a decade from now, when the bugle blows and summons the boys of America to respond to the Nation's call we will find ourselves again without power to defend our country. That is what will happen if Senators are willing to destroy this plant because it may interfere with private business.

I am not taking the affirmative or negative on the amendment which is proposed by those interested in the sale of water power. So far as I am personally concerned, I am not disposed to limit the power of the board of directors in their operation of the plant. I want to give them a fair chance to succeed.

The amendment is not especially material; add it to the bill and the plant might go on and operate, although perhaps it would not make so much money or be so successful; leave it out of the bill and it could work no injury except to a special interest.

However, it is not necessary that the Committee on Agriculture should decide that question. The Senate has sufficient intelligence when that amendment comes up for consideration to determine whether it will accept the amendment of the hydroelectric interests of the country or will reject it.

Those are the only amendments that have been called to my attention since this bill has been before the Senate. I will assume that if the gentlemen who are in opposition to it or think that the bill is initially wrong had other amendments to propose they would have brought them before this body and called our attention to them.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. LENROOT. The Senator is aware that amendments are not in order as long as an amendment is pending, and all that one could do would be to give notice of proposed amendments and have them lie on the table. I will say to the Senator that I have a large number of amendments which I shall offer if this motion to recommit shall not prevail.

Mr. UNDERWOOD. Mr. President, there are a number of amendments pending on the desk. Everybody knows that under the rules of the Senate you do not have to wait until an amendment is disposed of. You can introduce your amendment and send it to the desk and have it printed for the information of the Senate at any time. I do not suppose the Senator from Wisconsin has great confidence in his own amendment, or if he had, I assume that he would correct the bill by way of amendment rather than pursue his motion to send it back to the committee, where it will receive its deathblow—that is, if he were in favor of the legislation. Of course, if the Senator is opposed to the legislation, he will pursue such methods as will accomplish the result of killing the proposal.

Mr. President, those are the main amendments and the main reasons advanced for sending this bill back to the committee; but, while I think about it, the Senator from Wisconsin, whose motion is now before the Senate to recommit the bill and encompass its defeat, has based his argument largely on the idea that some sinister interest is going to be benefited by the passage of this bill. He referred to it many times, but his closing peroration against the bill was that a corporation in Alabama called the Alabama Power Co. was promoting this endeavor in order that it might control the surplus power. He says that it is an English corporation, and I think he is correct about it. We could not get American capital to build a dam on a river down in Alabama, and finally some English capital, before the war, came over and built it and furnished the people of Alabama with the lighting for their towns and the electricity to run their street cars in some of the towns in northern Alabama.

The Senator seems to think that they have an interest here. If they had, and this bill were being passed to help a private interest, I should say the Senator was right. I am no more in favor of legislating favorably to private interests than I am in favor of letting private interests stalk at the doors of this Capitol for the purpose of defeating legislation that means the life of the Nation. But in order that the Senate may not misunderstand and may not be misled by declarations of this kind, I wish to read a telegram that I received this morning, and I will say, in passing, that it was not solicited by me. I had made my final answer to the Senator day before yesterday in reference to this company not having any interest in this matter. I knew nothing about it myself, except the facts that are of record. I knew they were endeavoring now to obtain a Government permit to build a great dam on the Coosa River at an expenditure of millions of dollars, and it was not sane to suppose that men who were expecting to use their money in a development of that kind were expecting the use of this water power.

Here is a telegram I received this morning, as I say, unsolicited by me or anybody else in my behalf. It seems that the press dispatches carried the eloquent speech of the Senator from Wisconsin to Alabama, and here is the reply to it. I will say that this telegram is signed by Mr. Thomas W. Martin, who is the president of the Alabama Power Co.:

BIRMINGHAM, ALA., January 9.

Senator OSCAR UNDERWOOD,
Washington, D. C.:

In June last, while our Mr. Perry W. Turner was in Washington, he delivered to Mr. GARRETT, of Tennessee, and Messrs. ALMON and HEFLIN a statement of Alabama Power Co. in regard to the misleading, unfair, and untrue allusions made in the Graham report on Muscle Shoals in so far as the report refers to or mentions Alabama Power Co. I would be glad if you could secure a copy of this report from either of above gentlemen, and I trust an opportunity will present itself to have it incorporated in the RECORD in the discussion now going on concerning

Muscle Shoals. Since our company is again referred to, it is but fair that our statement appear in the RECORD, as we had not the slightest reason to think our company would be touched on by Graham committee. We had no opportunity to appear before this committee and we were surprised when we read the Graham report, which does the Alabama Power Co. a grave injustice. You will remember our company donated to Federal Government without any restrictions the Muscle Shoals site, which cost Alabama Power Co. approximately half million dollars. We regret that we are now criticized by Senator LENROOT and others in connection with Muscle Shoals matters, concerning which Alabama Power Co. has no interest except the general interest of all other citizens of the country in this important development. Alabama Power Co. did not get one cent from Government for Muscle Shoals property. Press reports state that Senator LENROOT refers to Messrs. Worthington and Washburn as representatives of this company in Washington. As you probably know, they do not represent our company, and we have no connection whatever with them of any kind.
THOMAS W. MARTIN.

Mr. President, I have not read the report to which he refers, and I do not know what is in it; but I sent over and asked Mr. GARRETT, if he had it, please to let me have a copy of it. I have it in my hand, and although I do not know what is in it, I think it is fair to this company and fair to this discussion that it should appear in the RECORD, and I ask that it be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection.

The matter referred to is as follows:

REPORT OF SUBCOMMITTEE 5.

ORDNANCE EXPENDITURES, UNITED STATES NITRATE PLANT NO. 2.

In the latter part of 1917 the urgent need of nitrates for explosives compelled the United States Government to seek some artificial means of meeting the demand, since it was probable that the supply of Chilean nitrates would prove inadequate or be cut off, and the erection of nitrogen-fixation plants was recommended by the fixed nitrogen commission appointed by President Wilson to investigate this subject. Attention of the Government was directed to Muscle Shoals, Ala., located on the Tennessee River near Florence and Sheffield, Ala. Although the selection of this site was governed by many reasons, one of primary importance was that the necessary supply of electric energy could be obtained upon short notice from the generation and transmission system of Alabama Power Co., a central-station company then operating at no great distance from the site at Muscle Shoals.

The possibility of utilizing the facilities of this company was brought to the attention of Maj. Gen. Crozier, then Chief of Ordnance, United States Army, by Mr. Frank S. Washburn, president of the American Cyanamid Co., which company was interested in having the cyanamid process approved for installation at the proposed nitrogen-fixation plants to be erected by the United States Government.

As a result of the recommendations of Mr. Washburn, correspondence passed between the Ordnance Department and Mr. James Mitchell, president of Alabama Power Co., relative to obtaining the necessary electrical energy for use at the proposed United States Nitrate Plant No. 2, to be situated at Muscle Shoals on the Tennessee River. In a letter from Mr. James Mitchell to Col. J. W. Joyes, of the Ordnance Department, United States Army, was contained a tentative proposal for the use of the system of Alabama Power Co. This letter was dated November 6, 1917.

Although—owing to the indefinite information possessed by Mr. Mitchell—the proposal was necessarily formulated along general lines, it was so clear and comprehensive that it met with the instant approval of the Ordnance Department and of Col. J. W. Joyes, of the Nitrate Division, Ordnance Department, and an investigation of the facts contained in the letter resulted in an invitation to Mr. Mitchell to come to Washington to confer with officials of the Nitrate Division on the subject of supplying electrical energy to Muscle Shoals.

Several conferences were held in Washington during the month of November and the conditions outlined as follows:

Practically the entire electrical output of Alabama Power Co. was being utilized by various essential industries, and the constantly increasing demand for power was such that the existing installations were practically taxed to their limit during certain seasons of the year.

The final result of the conferences between Mr. Mitchell and officials of the Ordnance Department was that a 30,000-kilowatt steam-generating plant would be purchased by the Government and installed at the Warrior steam plant on foundations already placed by Alabama Power Co. for its own use. The original design of the Warrior plant had been for three units, fortunately, and all pioneer engineering work was done on that basis. Moreover, certain heavy work, such as condenser intake and discharge tunnels, had been completed for the entire plant, thus advancing the construction work at least six months and also reducing the actual cash requirements to install additional units. The Government, of course, was to reap the benefit of the then obtaining conditions. As speed was a primary requisite in this case, the drawing of the formal contract was left until a later date, and it was agreed that work would be started upon receipt of work orders giving authority to proceed.

In addition to the generating equipment, it was necessary to construct a transmission line from the Warrior steam plant to Muscle Shoals, under the same conditions as the generating unit at Warrior, the Alabama Power Co. having a field force organized that could carry on all phases of the work contemplated.

The Ordnance Department, nitrate division, also made the request on January 25, 1918, that space be reserved for an additional generating unit at the Warrior plant should it be required.

The United States felt that by tying into the system of Alabama Power Co. it could obtain energy for construction purposes and would also obtain security against shutdown, if its own plant at Sheffield should break down, as it would have been possible to discontinue service to some of the customers of Alabama Power Co. who might be engaged in industries less important than the needs of the Government.

SUBCOMMITTEE REPORT.

On May 17, 1920, subcommittee No. 5 on Ordnance presented to the Select Committee on Expenditures in the War Department a report concerning the expenditures by the Government at United States nitrate plants Nos. 1, 2, 3, and 4. In dealing with the expenditures at United States nitrate plant No. 2, Muscle Shoals, Ala., the work done by the

Alabama Power Co., as contractor agent for the United States, was brought into the investigation, and in submitting their report and findings the subcommittee makes certain charges against the Alabama Power Co. that it is now proposed to answer. It should be borne in mind that the subcommittee in making these charges against the Alabama Power Co. did so without an inspection of the work done by Alabama Power Co. for the United States. None of the officials or employees of the Alabama Power Co. were called to testify before the subcommittee, although the subcommittee sat at Sheffield, a distance of 90 miles from the Birmingham office of Alabama Power Co.

In paragraph 40, on page 7, of the report of the subcommittee the charge is made that as a result of this vast expenditure of public moneys on the property of Alabama Power Co. the power company has been able to build up its property and establish it as a power of monopoly in northwestern Alabama. This charge is false and has no foundation in fact, or in the evidence submitted to the subcommittee, as will be shown hereinafter.

A majority of subcommittee No. 5 makes the following charges against the Alabama Power Co.:

CHARGE 1.—SYSTEM OF ALABAMA POWER CO.

The subcommittee charges:

"The Alabama Power Co., when the war began, had a small system, and were comparatively poorly equipped. To-day they have one of the most modern power stations in the world at the Warrior River, with coal mines electrified and a railroad connecting them with the Southern Railroad Co., many transmission lines, and with a practical monopoly of electric power in the northern and western part of the State of Alabama, and this at Government expense."

In 1917, prior to the entrance of the United States into the World War, the power system of the Alabama Power Co. consisted of the following:

The generating plants of the system consist of water-power plants at Lock 12 on the Coosa River and at Jackson Shoals on Choccolocco Creek and the Gadsden and Warrior reserve steam plants.

LOCK 12.

Lock 12, the main plant of the system, is located about 50 miles southeast of Birmingham on the Coosa River, by authority of an act of Congress approved March 4, 1907.

The dam at Lock 12 is of the gravity type, approximately 1,638 feet long and 65 feet high. This height is further increased to a normal operating head of 72 feet by spillway gates which also serve as a means of stream control. There are 26 of these gates, each 30 feet wide by 14 feet high, in the 930-foot spillway section of the dam. In July, 1916, floods up to 200,000 cubic feet of water per second, the severest flood ever recorded on the Coosa, passed over the spillway without any difficulty.

The power house in which are located the immense water turbines forms the western portion of the dam. This power house is 323 feet long, 128 feet wide, and 160 feet high. There is a total of 187,000 cubic yards of concrete in the power house and dam. Power is normally generated at the rate of more than 1,000,000 kilowatt-hours per day.

The ultimate contemplated capacity of the station is 110,000 horsepower, of which 89,500 horsepower is installed. The present installation consists of four 17,500 horsepower and one 19,500 horsepower Westinghouse vertical single runner turbines. These are directly connected to 13,500 kilovolt amperes, 6,600 volt, 3 phase, 60 cycle generators.

JACKSON SHOALS.

The second hydroelectric plant on the power company's system is located at Jackson Shoals on Choccolocco Creek, a few miles south of Lincoln, in Talladega County. This plant has a diversion dam approximately 500 feet long and a wooden flume 2,000 feet in length, which connects the power house with the dam. The power house is a reinforced concrete structure, in which are located the two vertical double-runner turbines directly connected to 1,000-kilovolt ampere generators. These generators are rated at 2,300 volts, 3 phase, 60 cycles.

NECESSITY FOR STEAM RESERVE.

With a diversified load such as this company has—that is, public utilities, mines, blast furnaces, cement and brick plants, cotton mills, etc.—the demand for continuity of service is such that a hydroelectric development would not be feasible without adequate steam reserve to insure customers continued and uninterrupted service during periods of low water flow. Such reserves are also called on from time to time to supply power during interruptions caused by lightning, cyclones, or other interruptions due to operating exigencies. With the view of meeting these varied contingencies the power company has constructed two reserve steam plants, one at the northeast terminus of its system, near Gadsden, and the other on the Warrior River in Walker County. These plants are operated during but a brief period each year, but the value to the users of light and power in assuring them of continued service for successful operation makes it necessary to keep such reserve plants in a constant state of readiness to operate.

GADSDEN.

The Gadsden reserve steam plant is located near Gadsden in Etowah County on the Coosa River and 100 miles northeast of Lock 12. The capacity of this station is 15,000 horsepower, there being two 7,500 horsepower horizontal steam-driven turbines, 60 cycle, 3 phase, 2,300-volt General Electric generators installed. Condensing water is drawn from the Coosa River.

WARRIOR.

The Warrior River steam plant is located at Gorgas in Walker County on the historic Black Warrior River 40 miles northwest of Birmingham. The town is named for Maj. Gen. W. C. Gorgas, Surgeon General of the United States Army, a native Alabamian. This plant is located in the heart of the Warrior coal fields, the coal for the boilers being mined within a few hundred feet of the power station. An ample supply of water is furnished by the Warrior River for condensing and boiler-feed purposes.

The Warrior plant is equipped with one 30,000 horsepower horizontal steam turbo-generator. Coal bunkers, capable of storing 600 tons of coal, two days' supply, are located above the boilers, and coal is delivered from them through automatic weighers and chutes to the stokers.

LOCAL STEAM PLANTS.

In addition to the stations located on the main transmission lines of the Alabama Power Co., there are steam stations at Huntsville, Decatur, and Guntersville, in the northern part of the State, and at Marion in the west-central part. These stations serve the immediate communities only.

SUBSTATIONS.

In addition to the four generating plants there are seven primary substations located at Warrior, Gadsden, Jackson Shoals, Magella, Anniston, Bessemer, and Sylacauga.

All substations are of the outdoor type. The electrical equipment is designed to be moisture proof and fitted with breathers and air driers to avoid the collection of moisture or condensation. All transformers are single phase, oil insulated, and water cooled, and the oil switches are 3-unit solenoid operated remote control type. The control wires are carried in underground conduits to the switch houses, where the switchboard, instruments, storage batteries, and telephone instruments are located.

TRANSMISSION LINES.

The main transmission lines of the system form an immense triangle in the central part of the State of Alabama. The circuits which radiate from the corners of this triangle make a total length of about 900 miles. The area served is 10,000 square miles in extent, being practically the entire central and northern part of the State. This territory includes practically the whole of the great industrial coal and mineral districts of Alabama.

The type of the transmission lines varies according to the voltage carried. All 110,000-volt lines of the power company are supported on galvanized-steel double-circuit towers by suspension-type insulators. The 22,000-volt and 44,000-volt distributing lines are carried partly on steel towers with the 110,000-volt lines and partly on cross-tied wood poles. Both suspension and pin-type insulators are used.

The area served includes some very sparsely settled and rough country, which is subject to violent lightning storms during the summer months and winds of almost cyclonic fury during the spring. Nevertheless, a system has been built up which has very few interruptions to service. This result has been achieved by giving special attention to the strength of towers and poles, insulators, and cable, duplication of lines, lightning protective apparatus, and automatic relays.

The power generated at Lock 12 and other stations of the power company is supplied to the various industries in Alabama by means of high-tension transmission lines. In 1917 there were approximately 1,000 miles of transmission line owned by the Alabama Power Co. and utilized by the consumers; part of this line was constructed on steel towers and part on wooden cross-tied poles. The territory served extended from Opelika in southeast Alabama to Decatur and Huntsville in northeast Alabama, and from Anniston and Gadsden in east Alabama to Tuscaloosa and Jasper in west Alabama, and served in all approximately 40 municipalities.

In 1917 the power supplied by the Alabama Power Co. came almost exclusively from Lock 12 hydroelectric plant, very little use being made of the Warrior reserve steam plant and the Gadsden reserve steam plant, except in case of low water in the Coosa River.

Although the bulk of the energy generated by the Alabama Power Co. consisted of water power, with a diversified load such as is being carried, the demand for continuity of service is such that a hydroelectric development would not be feasible without adequate steam reserve power to insure customers continued and uninterrupted service during periods of low-water flow. To meet any exigency that might thus happen, the Alabama Power Co. has built the two stand-by plants, one at Warrior and one at Gadsden, as shown above; but these plants are operated for but a brief period each year, and only as necessity demands. However, the fires under the boilers of these stand-by plants are always banked, and within 90 minutes each of these plants can be brought on the line delivering their capacity for the maintenance of power for continuity of service.

Some idea of the work performed in the industrial field in Alabama by the hydroelectric system of the Alabama Power Co. may be gathered from the following summary of the plants that are supplied:

Type of industry.	Number served.	Per cent of total use of power.
Coal mines.....	21	4.04
Ore mines.....	7	5.75
Steel mills.....	4	16.15
Ferro-alloy electric forces.....	1	19.62
Cotton mills.....	10	7.63
Brick plants.....	1	.21
Cement mills.....	2	7.25
Foundries and machine shops.....	2	.51
Cotton gins and fertilizer plants.....	4	.52
Pumping plants.....	3	1.13
Quarries.....	1	.63
Lime plants.....	2	.03
Graphite mills.....	22	1.76
Public utilities and street railways.....	6	34.55
United States Government (Camp McClellan).....	1	.32
Total.....	87	100.00

The above is merely an indication of the scope of the Alabama Power Co. and the diversity of its consumers as it existed prior to the making of the contract with the United States Government.

The Alabama Power Co. feels a just pride in its accomplishment in the industrial field during the period of the war. The use of hydroelectric power not only conserved man power but it conserved the equally essential and much-sought-after product of coal; it furnished the power that drove the giant steel mills in the Birmingham district that were making war munitions for use at the front, and this, too, before one penny of Government money had been expended in erecting its plant at Gorgas. Its lines reached into the graphite fields of eastern Alabama, where 58 per cent of the graphite in the United States was being produced. Had it not been for this hydroelectric power that important war industry could not have been. These lines, too, went into the graphite fields before the United States Government expended one cent on its Warrior extension unit.

How, in fairness, the subcommittee could have made the charges that when the war began the Alabama Power Co.'s system was a small one and was comparatively poorly equipped is beyond explanation. We prefer to believe that the subcommittee made these charges in ignorance; otherwise their conclusions would be unworthy of them. Any authority in the United States on power and power systems could have informed the subcommittee that the system of the Alabama Power Co. was new, and in the point of installation, improvement, and equipment was one of the most modern and efficient generating systems in the United States.

CHARGE 2.—DRIFTON EXTENSION RAILWAY.

The subcommittee charges:

"The Warrior River station is located at a place called Gorgas, about 100 miles from Muscle Shoals, and a place excessively hard to reach. During construction most of the supplies came by the Warrior River by steamboat from Benoit, 18 miles away. The nearest railroad station is Parish, Ala., about 9 miles from Gorgas. During the construction period the expense and hardships of transporting material to Gorgas were immense.

"The construction work began at Gorgas on March 13, 1918. The Alabama Power Co. owned at the time a small steamboat named *Blanche* and some coal barges. The Government bought these from the Alabama Power Co. at an expense of approximately \$10,000 at about the time they began construction work and used them in transporting supplies, selling the *Blanche* and the barges afterwards for about \$6,500. The Alabama Power Co. did not need them when the Government bought them.

"Nine miles away from the plant was a station of the Southern Railroad at Parish, Ala.; from Parish for 6 miles in the direction of the plant the Southern Railroad Co. was operating a railroad to serve certain coal mines along that line. From the end of this 6-mile spur for 1½ miles a road had been built theretofore by the Southern, but was abandoned and out of repair, and for the last 1½ miles there was no railroad at all. Although the Government was transporting supplies from Benoit by river, 18 miles, and hauling them by truck from Birmingham, 40 miles away, over the worst of roads, this 1½ miles of railroad was not built until after the signing of the armistice, and after all the heavy work of construction and transportation had been finished. Then it was taken up and pushed to completion by the Ordnance Department. The Alabama Power Co., when it was evident the war was to end, perceived that it would be advisable for the company to build this extension that it might get coal easier and more cheaply, and the road was then built (p. 3521). No explanation is given for this proceeding, and, so far as can be observed, there could be none. Obviously this road should have been the first thing built."

In order that there may be a clearer understanding of the purposes in the building of the 8,000 feet of railroad track connecting the Government unit with the Drifton branch of the Ensley-Southern Railway, a blue print showing the location of the Drifton branch and the extension built by the United States and Alabama Power Co. is hereto attached. The Drifton branch of the Ensley-Southern Railway extends southwesterly from Parish, Ala., for a distance of 6 miles toward Gorgas, Ala., its nearest point to Gorgas being 8,000 feet. This line of railway taps one of the richest coal fields in Alabama and has located on it several large producing coal mines.

The Alabama Power Co. plant was finished and put in operation in September, 1916. The coal supply necessary for the operation of the power company unit was obtained from the Winona Coal Co., located within 300 feet of the power company unit. The acreage of this company and its daily output was sufficient for the operation of the power company unit for many years to come, and prior to the building of the Government unit on the premises of the Alabama Power Co. there existed no necessity for getting coal from the outside. However, when the Government unit was located at this point it became apparent to both the Government officials and the officials of the Alabama Power Co. that additional sources of coal supply should be secured. The close proximity of the coal mines served by the Drifton branch of the Ensley-Southern Railway naturally suggested to both parties that the connecting line between the Drifton branch and the plant should be constructed. The idea was not conceived in the iniquitous mind of the Alabama Power Co. "when it was evident the war was to end." The majority of the subcommittee did not deem it advisable to go to the indisputable records for information in regard to the negotiations for the building of this railway or the necessity for it, but instead preferred to base its charge against the Alabama Power Co. upon rumor and hearsay and uncertainty. A reference to the files in the office of the Ordnance Department would have disclosed the negotiations of the Government with the power company with reference to the building of this railway and would have shown that the negotiations for the building of this railway began in December, 1917, with a letter from Col. J. W. Joyes addressed to the Alabama Power Co. Thereafter the files are full of letters and plans and specifications relating to the building of this railway.

Again, had the subcommittee been desirous of obtaining accurate and fair presentation of this matter, they could have gone to the contract which they had before them and there have found a stipulation requiring the building of this railway. (Art. IVa, Drifton extension railway, contract T-69, p. 2717, serial 6, pt. 50.)

Again, had their eagerness for fairness been commensurate with their desire to discredit, they might have referred to schedule E, attached to and a part of contract T-69, and set out at page 2734 in serial 6, part 50, and there have found that the Government did not build this road at their cost entirely.

The United States supplied rails and rail joint material and contributed \$30,000 toward the cost of the work. The Alabama Power Co. did the work at an additional cost to the Alabama Power Co. of \$115,933.67. It is to be noted also in this connection that Schedule E in paragraph 7 provides that the expense of the United States in constructing this railway shall be deemed a part of the actual cost of the Warrior extension for the purpose of sale to the Alabama Power Co. under article 22 of its contract with the Alabama Power Co.

CHARGE 3.—THE POWER COMPANY'S WARRIOR RESERVE STATION.

The subcommittee charges:

"At the Warrior River station the Alabama Power Co. had had a brick building, about 100 by 100 feet, with indifferent machinery. The Alabama Power Co., under its aforesaid contract, built an addition thereto, 100 by 100 feet, and of the most modern construction, installed the most modern machinery, boilers, and appliances, and a 30,000-kilowatt turbogenerator of the most modern and complete construction. This turbogenerator is placed on permanent foundations in the building heretofore described, and the whole is located on land owned by the Alabama Power Co., and with no right in the Government to acquire the same."

On or about June 1, 1916, the Alabama Power Co. began the construction of its Warrior steam reserve power plant at Gorgas, Ala., located at the junction of Bakers Creek with Mulberry Branch of the Warrior River. This plant was located at this point because—

- (1) It was near the Birmingham load center.
- (2) It was located in the heart of the great coal region of Alabama.
- (3) Water for condensing and for boiler feed was plentiful and free from scale-forming quantities.
- (4) Minimum danger from floods.

This plant was completed and in operation in September, 1917. It was equipped with the most modern machinery in the world, the equipment consisting of—

- Six 1,206-horsepower Stirling boilers.
- Five Westinghouse underfeed stokers.
- One Combustion Engineering Co. type E stoker.
- One 25,000-kilowatt, 6,600-volt, 3-phase, 60-cycle, 1,800 revolutions per minute, 80 per cent power factor, Westinghouse Electric & Manufacturing Co. turbogenerator.

One Westinghouse Leblanc jet condenser.
One bank of three 8,333 KVA Westinghouse transformers.
The plant has been in continuous operation since that time and has fulfilled every expectation from the point of efficiency.

In the Southern Engineer for November, 1917, appears an article, illustrated by photographs, on the Warrior reserve steam plant of the Alabama Power Co., which shows the machinery of the plant to be the most modern and up to date in existence. In addition it shows photographs of the type of employees' dwellings to be of substantial and permanent construction. The following excerpt taken from this article has this to say in regard to the Warrior reserve steam plant and the system of the Alabama Power Co.:

"The Warrior reserve steam plant of the Alabama Power Co. is located on the Mulberry Fork of the Black Warrior River at the junction of the fork with Bakers Creek. The site was chosen because of its relation to the load on the system of the company and the abundance of water for condensing purposes.

"Further advantages of this location were the foundation conditions and the proximity of coal, there being mines operated within 500 feet of the coal-crushing machinery of the plant.

"In the new plant the first unit, which is nearing completion, forms part of the extensive system operated by the company throughout the State of Alabama, supplying cities, traction companies, and industries."

Again, in the Manufacturers' Record, in the issue of June 28, 1917, additional information and photographs are contained respecting the Warrior reserve steam plant. This article says:

"The first unit of the new steam-power plant erected by the Alabama Power Co. as an auxiliary to the hydroelectric plant of the company will be in operation in a few weeks.

"The plant is situated at the point of confluence of Bakers Creek with the Mulberry Fork of the Warrior River, which is approximately 25 miles from the city of Birmingham. This point was selected by the company on account of the fact that it is in the heart of the Warrior coal fields, and there is abundant cooling water for condensing purposes.

"Open-ground storage will be used for coal, and coal-handling apparatus will consist of a traveling bridge over the storage pile and a belt conveyor to the overhead bunker. The storage pile is so laid out there will be possible ground storage of 90,000 tons. Coal is supplied from a mine situated a quarter of a mile from the steam plant.

"A feature of the development is the character of the operatives' houses, which are of hollow tile and plaster construction.

"There is an increasing demand on the Alabama Power Co. for electric current for lighting and power purposes. A fifth unit is being added to the hydroelectric plant on the Coosa River, which will make a total of 92,500 horsepower generated at this point. In addition to serving municipalities and existing industries, such as coal-mining operations, cotton mills, etc., it is the policy of the company to encourage the location of new industries. Conspicuous in this line are the plants of the Anniston Ordnance Co., the Anniston Properties Co., and others, in addition to which are a number of other projects under negotiation, an announcement of the locations of which are expected in the near future."

In addition to this, Capt. Stiles, in his testimony before the subcommittee (record, p. 3507), testifies that the Warrior reserve steam plant of the Alabama Power Co. was good; that it was new; that it compared favorably with the kind of material that the Government had in their unit; that the electrical apparatus was good; and that the plant was good.

In view of the above, quoted from the record and undisputed, how can the majority of the subcommittee arrive at the conclusion that the Warrior River substation of the Alabama Power Co. was equipped with indifferent machinery?

CHARGE 4.—GENERAL CONTRACT T-69.

The subcommittee charges:

"The proposition of the Alabama Power Co. was not accepted by Col. Joyes, but on December 1, 1917, a written contract was made with that company by which the United States authorized the Alabama Power Co. to build at its Warrior River station certain considerable extensions of the plant, to acquire the right of way and build transmission lines to the nitrate plant at Muscle Shoals, and to do such other work as was necessary in electrifying certain mines to other facilities, and to generally act as the agent of the United States in all of these matters, for which the United States agreed to pay all costs of every kind and nature made by its agent, use of the agent's line, and a fee not to exceed \$225,000 to the agent for doing this work, and for the power the company was to receive 6½ mills per kilowatt hour, with a minimum monthly charge of \$30,000, the United States to retain 2 mills per kilowatt hour until the cost of the Warrior station and the Warrior substation should be paid. It will be observed that this contract is much less favorable to the Government than the proposition made to Col. Joyes by the Alabama Power Co. on November 5, 1917. No reason is given for this by Col. Joyes except that he thought the Government had no authority to loan money."

The availability of power in close proximity to the site of the proposed nitrate plant at Muscle Shoals had previously been noted by Government officials, and early in October, 1918, Mr. Elliott, of the War Industries Board, had requested certain information from the Alabama Power Co. with a view to ascertaining the position of the company should power be needed by the Government.

On November 6, 1917, Mr. James Mitchell, president of the Alabama Power Co., in a letter to Col. J. W. Joyes, Chief of the Nitrate Division, Ordnance Department, made a certain tentative proposal relative to furnishing necessary electrical energy for use at the proposed United States nitrate plant No. 2, being situated at Muscle Shoals, Tennessee River.

As the information possessed by Mr. Mitchell was very vague and indefinite, this proposal was necessarily formulated along general lines, and would, of necessity, be considerably modified and changed when definite plans of the Government were known. It was explained by Mr. Mitchell that financing of such a huge undertaking could not be formed by the Alabama Power Co., but the company, for patriotic reasons, was prepared to cooperate in every possible way to assist the Government in successful prosecution of the war.

It was also stated that, in order to furnish this power, an extension would have to be built to the Warrior River steam plant, but that any undertaking of this character would necessarily have to be financed by the Government, as the company was not prepared to finance a development of this magnitude owing to the stringency of the money market created by war conditions.

While the proposal of Mr. Mitchell on November 6, 1917, was very general, it was made at the suggestion of the Ordnance Department with the view of opening the negotiation and assuring the Government of the willingness to cooperate. While in general this proposal did specify an estimated figure of the cost to do certain things, provided this sum be advanced by the United States, the decision not to make this advance, but to do this work by contract and increase the projected capacity to be installed, obviated any possibility of comparing the amount set up in the letters of November 6, 1917, with the ultimate expenditures of the United States under this contract.

Mr. Mitchell was invited to attend a conference in Washington, where further details would be discussed, and on November 21 the conference was held in Washington between Col. J. W. Joyes and Maj. J. E. Runcle (retired), representing the United States, while the Alabama Power Co. was represented by Messrs. James Mitchell, Thomas W. Martin, W. N. Walmsley, and O. G. Thurlow. In this meeting several plans were discussed as to the best method of securing power for use of the Government at Muscle Shoals. The officials of the Alabama Power Co. explained in detail that the Alabama Power Co. was in no sense in the contracting business, nor did it hope to make any large gain, but was actuated by the desire to cooperate with the Government and assist in every way in speeding up construction at Muscle Shoals. It was also explained that officials of the power company could not at that time agree upon any plan, but that the entire subject would have to be placed before the board of directors of the company and before the trustee under the company's mortgage, and some plan worked out which would fulfill all the legal requirements of the company's mortgage.

During the conference it was stated by the Army officers that the Government had the power of condemnation, and if a public necessity existing within the meaning of the present statutes, the President of the United States could direct the Army engineers to take possession of the Warrior Steam Plant or any other property of the power company, and use it in any way they saw fit to further formulate plans. It was stated, however, that the Government had no desire to invoke any such power as this, but if a proceeding of this kind was necessary, the Government would not hesitate to take this action.

Another conference was held in Washington on November 27, attended by Col. Joyes, for the Government, and Messrs. Walmsley and Martin, representing the company, in which a tentative authority for the formation of formal contract was discussed.

From time to time in the next two weeks conferences were held by representatives of the Government and the power company, and in order to expedite work it was decided not to wait upon the signing of the formal contract, but to proceed with construction with all speed on receipt of necessary authorization from proper Government officials in the form of work orders.

These work orders covering building of an addition to the steam plant at the Warrior transmission line, construction and furnishing of power were issued on December 7 and signed by Col. Joyes. Upon receipt of these work orders the Alabama Power Co. in good faith, proceeded to organize their construction forces and make the necessary preparations for the work to be done.

In the meanwhile various draft forms for the formal contract were drawn up by the Alabama Power Co. and submitted to the Government for approval, but certain clauses in these contracts were unsatisfactory, and the amendments as shown by the Government were not completely satisfactory to the Alabama Power Co. The result, partly due to busy days of war time and inability to get the proper parties together to make the necessary changes, this contract hung fire and was not formally signed until November 9, 1918.

Had this work been undertaken by the Alabama Power Co. as originally contemplated, it would not have been necessary to apply the eight-hour law to the work, nor would it have been necessary to undertake the patrolling and guarding, which was purely military and not a contractual necessity. The power company would have absorbed the direct and other charges, but as a contractor it was deemed fair and reasonable that a fee should be paid for its services, which, under the circumstances, as compared with the fee paid other contractors throughout the country, was very nominal.

CHARGE 5.—WARRIOR-MUSCLE SHOALS TRANSMISSION LINE.

The subcommittee charges:

"They also bought or acquired right of way for power transmission line for approximately 90 miles, from the Warrior River to nitrate plant No. 2, the title to which is in the Alabama Power Co., and which the United States has no right to acquire by virtue of its written contract (2787). On this right of way was built a transmission line, the only connection between United States nitrate plant No. 2 and the installation made at the Warrior River plant. This line is of flimsy construction, on wooden poles, and would not pay for the expense of taking it down and removing it (3368)."

Prior to the outbreak of the war and prior to the time of the making of the contract between the Alabama Power Co. and the United States for construction of the plant at Gorgas and the transmission line from Gorgas to Muscle Shoals, the power company had already acquired approximately one-third of the right of way from Gorgas to Muscle Shoals. This fact, together with the great natural advantages of the power site at Gorgas, were the inducing factors causing the United States to place the power plant at Gorgas and run its transmission line from there to Muscle Shoals.

The transmission line between Gorgas and Muscle Shoals was begun in January, 1918, and was finished and in operation by the 1st of July, 1918. The line is 90 miles long, and a great part of it over a very rough and mountainous country. The line was finished within the time specified by the contract, and thereby enabled the Government to procure power for lighting and construction at Muscle Shoals months in advance of the completion of the power plants at Muscle Shoals and Gorgas. This was made so by the connection of the Warrior-Sheffield transmission line with the Warrior reserve steam plant of the Alabama Power Co. at Gorgas.

Capt. J. C. Stiles, who was perfectly familiar with the line and its construction, tells the subcommittee that the line was built in accordance with the best practices of power-line construction. It was built of cross-roped poles, which have an ordinary life of 30 years or more. The wires were standard copper wires used in the conduction of heavy voltage, and the other equipment and appliances were in keeping with the high standards of power-line construction (3517). Capt. Stiles

correctly states that the reason wooden poles were used was that the steel towers were not only very high in price but, due to the war demands for steel products, were impossible to obtain.

The Warrior-Muscle Shoals transmission line has been in operation continuously for more than a year, and during the period of the worst weather ever known in Alabama. It has at all times functioned efficiently and without break. The line is an exact duplicate of many hundreds of miles of line built by the power company prior to the construction of this line. These older lines have been in operation for approximately six years and have always given the highest degree of efficiency. As a matter of fact, as stated by Capt. Stiles, the modern tendency is to come back to the wooden-pole transmission lines. If it be flimsy construction to build a line on wooden poles and of the best copper wire and appliances, then the management of every power company in the United States is subject to a severe criticism and indictment by the men who have invested their capital in the power companies. But this criticism of the line is not merited. The only man (Capt. Stiles) who testified before the subcommittee who knew anything of the line frankly told them that the line was built in accordance with present approved standards of line construction.

As a matter of fact, the cost of changing the wooden poles that became decayed and nonusable would be less than the interest on the additional cost had steel towers been secured.

CHARGE 6.—HOUSES FOR OPERATIVES—AMUSEMENT, ETC.

The subcommittee charges:

"Not content with the rejuvenation of its power plant, the Alabama Power Co. built for the Government at its plant an industrial village. Twelve permanent houses were built and 20 semipermanent operative houses and a number of houses for colored people. A hospital was erected of 30 beds, and also an ice factory, a pool room, an entertainment place, and a moving-picture show. The permanent houses were of the best construction and cost \$5,000 apiece. All of these buildings were built on lands owned by the Alabama Power Co., and the Government has not even the right to acquire title to this land. From five to seven hundred men were employed during the work, and none of them lived in these houses. The houses were not completed until after the armistice, and instead of stopping construction on them with the armistice, the Government, with its agents, rapidly proceeded and completed them, so that they are at this time occupied by employees and officers of the Alabama Power Co. stationed at the plant (3615). The five to seven hundred workmen employed lived in tents during construction. Nobody ever contended or represented that these houses were being built for any other purpose except for the Alabama Power Co."

Exception is taken to the statement "not content with the rejuvenation of its power plant," as facts indicated in this report show clearly that the plant, far from being old or antiquated, was just completed and one of the most modern in the United States, and any statement to the contrary is without basis in fact. In regard to the building of an industrial village at the site of the Warrior steam plant, it is obvious even to laymen that in order to house a large body of men it is necessary to construct dwellings for them to live in. At the first influx of men to be housed at this plant tents with wood floors and sides were hastily thrown up, and these men were temporarily taken care of in this manner.

In an undertaking of this character it necessarily follows that there must be superintendents, physicians, and clerical forces who must be housed, and for this purpose were built the 20 semipermanent houses. These houses were occupied only by the executive administrative forces, and, while costing approximately \$700 each, were in fact nothing more than the roughest sort of construction.

In all construction work where a large body of men are employed it is absolutely necessary that facilities be afforded for the treatment of the sick and wounded men, and a hospital to care for these men was constructed. The construction of this hospital was approved by Maj. Coombs, officer in charge of the Warrior steam plant. The hospital was a wood structure, semipermanent, and constructed in as economical a manner as possible, with the prevailing fundamental idea of providing a place for the sick at the least possible expense.

A pool room and moving-picture house were likewise constructed in the cheapest manner possible. In order to keep men on a job of this character, which is far from town, it was absolutely necessary to provide some manner of amusement for the leisure time, and such amusement places have been provided on big construction jobs in this country and in all Army cantonments.

In the South it is absolutely necessary that ice be provided, as it is impossible to keep food without it, and a large loss of foodstuffs would have necessarily followed had not this addition to the ice plant already in existence been constructed.

The class of men required to operate a generating plant is necessarily of a high-class character and the majority of them are married men with families. It was to provide habitation for men of this character that the 12 permanent houses were constructed. Great difficulty was experienced in securing operators at all for this station, as the demand for men of this type rendered it almost impossible to get them unless they were provided with good dwellings, where their wives and families would be fairly comfortable and satisfied. It was the aim of the Alabama Power Co. to provide these dwellings. The construction of these houses was advocated on numerous occasions by the officials of the power company from the commencement of construction until the houses were actually under way, and while some of these houses were completed after the armistice was signed they had been under construction for some time, all material was on the ground, and it was economy from all standpoints to complete these houses, where they would be of some value, instead of being left in a state of partial completion and subject to rapid deterioration.

These houses were most emphatically not built for the service of the Alabama Power Co., but for occupancy by the operating forces to be employed on the unit installed for Government use at the Warrior steam plant. The Alabama Power Co. reaps no benefit from their construction; any statement that this work was done for any other purpose than to facilitate construction and operation of the Government plant is contrary to the facts.

The power company was endeavoring to the utmost of its ability to facilitate the construction and operation of this plant by the Government, and notwithstanding all statements to the contrary, it is still the belief of the officials of the Alabama Power Co. that the building of these houses was absolutely necessary and reacted to the benefit of the Government, for while these houses are on the land of the Alabama Power Co., it is stated in the contract that all these properties, together with addition to the plant, etc., would be sold to the Alabama Power Co. at a fair value by the Government. They form a part of the plant proper, and the use of them by the power company was figured in on the rental to be paid the Government for the use of the plant.

CHARGE 7.—SALVAGE VALUE.—UNITED STATES UNIT, GORGAS.

The subcommittee charges:

"It is probable that aside from the turbogenerator at the Warrior River station, which might be removed at an immense expense, there is not a cent of the expenditure made by the Government for the Alabama Power Co. that could be salvaged."

It is unfortunate that the subcommittee, while so close to the Government unit at Gorgas, Ala., did not take occasion to visit it and investigate conditions at that point. It is likewise unfortunate that, in making the charge that there was no salvage to the plants erected at Gorgas by the Government, they did not examine with care the contract under which the plant was erected. Had they been so careful, they could have found in article 22 of said contract that the Alabama Power Co. was obligated to purchase this plant from the United States upon the written demand of the United States at a price fixed by arbitration, as provided in said contract. That clause in the contract is sufficient to refute the statement of the majority of the subcommittee that the plant has no salvage value.

CHARGE 8.—PRODUCTION OF GOVERNMENT UNIT COMPARED WITH PRODUCTION OF THE SYSTEM OF ALABAMA POWER CO.

The subcommittee charges:

"40. The committee finds that the expenditure of over \$5,000,000 for the development of the property of the Alabama Power Co. was unjustifiable and unnecessary, and that the same results might have been accomplished by a loan of less than half this amount. That the result of this vast expenditure of public moneys has been to build up the property of a private corporation and establish it as a power monopoly in northwestern Alabama."

The charge of the subcommittee in reference to the above subject is false and has no foundation in fact.

The statement hereinbelow shows the output of the Government unit since it was brought into operation. In a parallel column is shown the output of the system of the Alabama Power Co., exclusive of the Government unit over the same period of time.

Period.	Total generation of entire system of Alabama Power Co.	Generation by United States Government unit.	Remarks concerning Government unit.
1918.	R. W. H.	K. W. H.	
November.....		0	
December.....	42,861,580	112,800	
1919.			
January.....	40,215,000	5,809,600	Initial operation without load; trial operation; energy supplied United States Nitrate Plant No. 2.
February.....	25,813,500	0	Unit dismantled. Rotor returned to General Electric Co.
March.....	26,796,900	0	
April.....	25,150,300	0	
May.....	24,181,000	0	
June.....	23,322,637	0	
July.....	25,061,410	0	Rotor returned to plant and reassembled.
August.....	28,100,580	0	Commercial operation; energy purchased by Alabama Power Co.
September.....	30,034,918	0	
October.....	32,072,399	2,998,700	
November.....	31,732,300	15,680,700	
December.....	35,511,840	3,384,908	
	347,992,784	22,014,300	
1920.			
January.....	38,693,550	738,900	Commercial operation. Unit down for inspection. Capacity of unit reduced.
February.....	37,574,180	0	
March.....	41,021,900	5,400	
April.....	41,373,804	280,200	
	158,163,434	1,080,500	
Grand total..	549,017,798	23,157,600	

Energy generated by Government unit expressed in per cent of total; 4.2 per cent, of which 6,512,046 kilowatt-hours was supplied to Government and 16,645,554 kilowatt-hours, or 3 per cent, of the total generation, was purchased by Alabama Power Co.

It will be noted that the grand total produced by the statement of the Alabama Power Co. over this period was 549,017,798 kilowatt hours, as compared with 23,167,600 kilowatt hours produced by the Government unit.

The Alabama Power Co. therefore furnished twenty-four twenty-fifths of the combined output of its system and that of the Government unit. The output of the Government unit for the entire time only represents the output of the Alabama Power Co.'s system for 20 days.

Expressed in percentage, the Alabama Power Co. produced 95.8 per cent of the combined output of the power company's system and the Government unit supplied the meager sum of 4.2 per cent.

Of the 4.2 per cent produced by the Government unit, the Government in its Muscle Shoals operation consumed 1.2 per cent and the Alabama Power Co. purchased from the Government the remaining 3 per cent, as is provided in the contract between the United States and the Alabama Power Co., at the rate of \$0.0015 per kilowatt hour. (Art. XVII.)

One needs but to glance at the above table of figures to be convinced that the charge made that the power company's system was built up at the expense of the Government is utterly false. All these facts were available to the committee had they desired them.

The contrary of the charge made that the Alabama Power Co.'s system was built up at the expense of the Government is true.

The Alabama Power Co. was required by the contract T69 in Article I to build a tie line between its hydroelectric system and the Government unit at a cost of approximately \$312,000. Prior to this time the Alabama Power Co. had transmission lines connecting its hydroelectric system with the power company's Warrior reserve steam plant which met all requirements of the Alabama Power Co. This obligation in contract imposed a burden upon the Alabama Power Co. for this additional outlay of money, from which it has received no return, due to the suspension of construction and operation at Muscle Shoals.

The Alabama Power Co. at its own expense and at the instance of the United States Government expended the sum of \$131,000 for additional equipment at the Winona mine to supply the United States Government with coal. This now represents a nonpaying investment.

The Alabama Power Co. at an outlay of \$65,000 completed the purchase of the right of way from Gorgas to Muscle Shoals, and on this right of way the Government line was built. It was expected when the contract was made that the margin of profit made by the sale of power to the Government from this line would yield a reasonable return on this investment. The cancellation of the Government's contract for power has made this a nonproducing investment.

In addition to that:

"Since the construction of the nitrate plants at Sheffield was begun the President has also authorized the development of the Muscle Shoals water power by the Government. The Alabama Power Co. owned the dam site and much of the riparian property for this development, in connection with which it had expended some \$500,000; but desiring, as it did, to further the plans of the Government in the development of its war program, it was decided to donate that property to the Government for that purpose, for which the thanks of the Federal Government have been expressed to the power company in a letter from the Secretary of War."

* Mr. LENROOT. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. LENROOT. The Senator proposes to print in the RECORD both the majority and minority reports upon the Alabama Power Co., does he?

Mr. UNDERWOOD. No; what I am printing in the RECORD is neither the majority nor the minority report. If the Senator caught what this telegram said, Mr. Martin in his telegram said that he had had no opportunity to appear before the Graham committee, and that he did not know of the criticism, and that he had made a statement and gave it to Mr. GARRETT, stating his viewpoint of the Graham report, and it is that which I ask to have inserted in the RECORD. If I said "report," I used the term inadvisedly.

Mr. LENROOT. I misunderstood the Senator; but I should like to ask the Senator if he would have any objection in that connection to having printed at the same time both the majority and minority reports upon the Alabama Power Co.?

Mr. UNDERWOOD. I think that would be entirely fair and very proper, because if the Senator prints them both in connection with the statement of the Alabama Power Co. itself we will have a more intelligent view of the subject; and I am satisfied from what I have heard that Mr. GRAHAM's committee were misled, in their statements in reference to the Alabama Power Co. being connected with this matter, by persons who were not sufficiently informed.

The PRESIDING OFFICER. Does either Senator ask that the majority and minority reports be printed in the RECORD?

Mr. UNDERWOOD. I supposed that the Senator from Wisconsin asked it. I have no objection to his asking it.

Mr. LENROOT. I ask that the parts I will indicate later of the minority report and the majority report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, leave will be granted. The Chair hears no objection.

The matter referred to is as follows:

[Extract from pp. 50 to 54 of majority report.]

THE ALABAMA POWER CO.

About the time it was decided to build nitrate plant No. 2 at Muscle Shoals Mr. Frank S. Washburn, who was at that time a stockholder in the Alabama Power Co., got in conference with James Mitchell, who was President of that company, and from their office at 120 Broadway, New York City, the Alabama Power Co. communicated with Col. J. W. Joyes, of the Ordnance Department, proposing to build extensive additions to their plant on the Warrior River in Alabama, and furnish electric power to the Government at Muscle Shoals. In their letter of November 6, 1917, to Col. Joyes, the company proposed to supply 30,000 kilowatts after such station had been built; if the Government would loan them \$2,250,000, this power to be furnished at 7 mills per kilowatt hour, 3 mills of this to be set aside until the Government was reimbursed for the sums advanced. (2708.) There is no doubt that this proposition originated with Frank S. Washburn, and that he saw the possibility of building up the Alabama Power Co. at the same time the Muscle Shoals plant was being built.

The proposition of the Alabama Power Co. was not accepted by Col. Joyes, but on December 1, 1917, a written contract was made with that company by which the United States authorized the Alabama Power Co. to build at its Warrior River station certain considerable extensions of the building, to acquire the right of way and build transmission lines to the nitrate plant at Muscle Shoals, and to do such other work as was necessary in electrifying certain mines and other facilities, and to generally act as the agent of the United States in all of these matters, for which the United States agreed to pay all cost of every kind and nature made by its agent, the Alabama Power Co., and in addition to pay \$80,000 for the use of the agent's lands and a fee of not to exceed \$225,000 to the agent for doing this work, and for the power the company was to receive 6½ mills per kilowatt hour, with a minimum monthly charge of \$30,000, the United States to retain 2 mills per kilowatt hour until the cost of the Warrior station and Warrior substation should be paid. It will be observed that this contract is much less favorable to the Government than the proposition made to Col. Joyes by the Alabama Power Co. on November 5, 1917. No reason is given for this by Col. Joyes except that he thought the Government had no authority to loan money. (2707.)

Acting under the authority contained in this contract, the Alabama Power Co. built an extensive addition to their plant on the Warrior River. They also bought or acquired right of way for power transmission line for approximately 90 miles from the Warrior River to

nitrate plant No. 2, the title to which is in the Alabama Power Co., and which the United States has no right to acquire by virtue of its written contract. (2787.) On this right of way was built a transmission line, the only connection between United States nitrate plant No. 2 and the installation made at the Warrior River plant. This line is of flimsy construction, on wooden poles, and would not pay for the expense of taking it down and removing it. (3368.)

At the Warrior River station the Alabama Power Co. had had a brick building about 100 by 100 feet, with indifferent machinery. The Alabama Power Co., under its aforesaid contract, built an addition thereto 100 by 100 feet and of the most modern construction, installed the most modern machinery, boilers, and appliances, and a 30,000-kilowatt turbogenerator of the most modern and complete construction. This turbogenerator is placed on permanent foundations in the building heretofore described, and the whole is located on land owned by the Alabama Power Co., and with no right in the Government to acquire the same.

The Warrior River station is located at a place called Gorgas, about 100 miles from Muscle Shoals, and a place excessively hard to reach. During construction most of the supplies came by the Warrior River by steamboat from Benoit, 18 miles away. The nearest railroad station is Parish, Ala., about 9 miles from Gorgas. During the construction period the expense and hardships of transporting material to Gorgas were immense.

The construction work began at Gorgas on March 13, 1918. The Alabama Power Co. owned at the time a small steamboat named *Blanche* and some coal barges. The Government bought these from the Alabama Power Co. at an expense of approximately \$10,000 at about the time they began construction work and used them in transporting supplies, selling the *Blanche* and the barges afterwards for about \$6,500. The Alabama Power Co. did not need them when the Government bought them.

Nine miles away from the plant was a station of the Southern Railroad at Parish, Ala. From Parish for 6 miles in the direction of the plant, the Southern Railroad Co. was operating a railroad to serve certain coal mines along that line. From the end of this 6-mile spur for 13 miles a road had been built theretofore by the Southern, but was abandoned and out of repair, and for the last 13 miles there was no railroad at all. Although the Government was transporting supplies from Benoit by river, 18 miles, and hauling them by truck from Birmingham, 40 miles away, over the worst of roads, this 13 miles of railroad was not built until after the signing of the armistice, and after all the heavy work of construction and transportation had been finished. Then it was taken up and pushed to completion by the Ordnance Department. The Alabama Power Co., when it was evident the war was to end, perceived that it would be advisable for the company to build this extension that it might get coal easier and more cheaply, and the road was then built. (3521.) No explanation is given for this proceeding, and so far as can be observed, there could be none. Obviously this road should have been the first thing built.

When the armistice was signed on November 11, 1918, the Government had finished this addition to the Alabama Power Co. building and most of the machinery and equipment were at the plant but not installed. Irrespective of the armistice, the work was pushed rapidly and the entire installation was made and work stopped on April 15, 1919, before any stop order was made by the Ordnance Department. After this and up to the present time a force has been retained by the Government at that place, and very large sums have been expended for operation and to get this plant in complete working order. (3511.)

The 30,000-kilowatt turbogenerator furnished by the Government at an expense approximately of \$2,000,000 was not tested until December 29, 1919. Since that time presumably it has been operated to assist the Alabama Power Co. in serving its patrons, and it is admitted by the Ordnance Department that in November and December, 1919, power was used from it continuously for commercial purposes.

Not content with the rejuvenation of its power plant, the Alabama Power Co. built for the Government at its plant an industrial village. Twelve permanent houses were built, and 20 semipermanent operative houses, and a number of houses for colored people. A hospital was erected of 30 beds, and also an ice factory; a pool room and entertainment place, and a moving-picture show. The permanent houses were of the best construction, and cost \$5,600 apiece. All of these buildings were built on lands owned by the Alabama Power Co., and the Government has not even the right to acquire title to this land. From five to seven hundred men were employed during the work, and none of them lived in these houses. The houses were not completed until after the armistice, and instead of stopping construction on them with the armistice, the Government, with its agents, rapidly proceeded and completed them so that they are at this time occupied by employees and officers of the Alabama Power Co. stationed at the plant. (3515.) The five to seven hundred workmen employed lived in tents during construction. Nobody ever contended or represented that these houses were being built for any other purpose except for the Alabama Power Co.

The Alabama Power Co., when the war began, had a small system and were comparatively poorly equipped. To-day they have one of the most modern power stations in the world at the Warrior River, with coal mines electrified and a railroad connecting them with the Southern Railroad Co., many transmission lines, and with a practical monopoly of electric power in the northern and western part of the State of Alabama, and this at Government expense.

By a temporary line the Alabama Power Co. furnished the Government power at the Muscle Shoals plant after July, 1918, from its other stations, but no power was received from the Warrior River plant where the Government had its installation until shortly before the armistice (in October, 1918). (3149.) All the electric power which the Government has used in its construction work at the Muscle Shoals plant has been furnished by the Alabama Power Co.

Since the armistice a settlement has been arranged between the Alabama Power Co. and the Ordnance Department. As one of the conditions of this settlement, the Alabama Power Co. figured up what things the Government had not done to comply with its contract and were paid by the War Department \$17,500 to supply these deficiencies. (3511.)

In inventorying the property at the plant that was purchased for construction and operation in this settlement, property costing \$59,000 was rejected by the Alabama Power Co. and turned back to the Government for that amount, and for which the Alabama Power Co. received credit. This material, according to the Ordnance representatives, is worth probably \$6,000. (3367.) While the Alabama Power Co. were permitted to turn back such material as was worn out or unsalable in this way, they were likewise permitted to take anything at its cost price that was desired by the company for its own commercial uses.

No apparent account has been kept of the supplies that have gone to the Alabama Power Co., and so gross was the inefficiency of some of the property officers and disbursing officers stationed at the Warrior River plant and representing the Ordnance Department that Maj. Frederick Stanger, of the Quartermaster Corps, in reporting to the Inspector General of the Army on March 18, 1919, recommended that Capt. O. S. Webb, of the Ordnance Department, property officer, and First Lieut. Carl W. Culman, of the Ordnance Department, disbursing officer, should be discharged. As was usual in such cases, this recommendation was not concurred in as to Capt. Webb, but he still remained as property officer of the plant. (3523.)

In the proposal of November 6, 1917, of the Alabama Power Co., it was stated:

"We estimate that the necessary addition to your Warrior River steam plant and the transmission line and substation necessary for delivering power at Muscle Shoals will cost approximately \$2,250,000."

There was no additional request for allotments by the company, but on August 19, 1918, Col. Joyes wrote the Alabama Power Co. calling their attention to the fact that up to that time the Government had been committed by the company to an expenditure of over \$4,000,000. (3530.) Irrespective of this condition of affairs, the Alabama Power Co. was permitted to proceed by Col. Joyes, and before it completed had expended approximately \$5,167,277.14. (2781.) It is probable that aside from the turbogenerator at the Warrior River station, which might be removed at an immense expense, there is not a cent of the expenditure made by the Government for the Alabama Power Co. that can be salvaged.

In addition to the provisions for power made with the Alabama Power Co., the Ordnance Department planned a steam plant of its own to develop 60,000 kilowatts of electrical energy, to be built in connection with United States nitrate plant No. 2. This was started some time during the year 1918, but at the time of the armistice, and after a great deal of money had been expended, it was only well started. Practically all of the construction of the steam plant at Muscle Shoals was done after the signing of the armistice. The steam plant was tested in October, 1919, but has never been used for the production of power at the plant. (3133.) It has not been used since its test, because the operation of it is so expensive that it is more economical for the Government to buy its power from the Alabama Power Co., a method which is now being followed while the steam plant is standing idle.

[Extract from p. 92 of minority report.]

40. The contract with the Alabama Power Co. whereby there was constructed additions to its plant and a transmission line over lands to which it owned the right of way so as to supply 30,000 kilowatts of power to nitrate plant No. 2 is not, upon the evidence before this committee in its entirety, a satisfactory one. It has features that upon the record as it stands justify criticism. So far as our record goes the Alabama Power Co. does not stand in a favorable light therein. It is largely owned by English capital, and the common stock of it, which controls it, is owned by Alabama Traction Light & Power Co. (Ltd.), which is a corporation of the Dominion of Canada. We do not mean to imply from the record as we have it that this company has been guilty of criminal conduct, but the conclusion can not be escaped in the light of testimony we have that at some stages of the proceeding the company appeared to have imposed upon the Government's necessities and unduly forced increases in certain of its facilities. The contract with this company and various things done in its execution were not satisfactory to the contracting officer in all their phases. It was simply a case where he did the best he could. It was entered into under the spur of extreme necessity for power to operate the plant.

The pressure was insistent, growing out of public necessity for getting the plant into operation, to begin producing explosive material for the expected 1919 military campaign. The steam-power plant could not be gotten ready in time to coincide with the manufacturing part of the enterprise, nor could the dam at Muscle Shoals. We think the authorities were justified in turning to the Alabama Power Co. and making the best terms possible, which we believe they did, and we do not concur in any respect in the majority's criticism of Col. Joyce, the contracting officer. At the time the first proposition of this company was submitted to Col. Joyce, suggesting a Government loan to it of \$2,250,000, there was no authority of law to make loans to private industry. We do not believe that the statement is correct, that the same results "could have been attained by a Government loan of half the amount."

Just how the same structures could have been built with half the money which was spent directly by the Government, if that half had been loaned instead, passes our comprehension. However this may be, the fact remains that at the time this contract was negotiated there existed no authority of law to make a loan to private industry, even for Government purposes. It was long subsequent to this and after the construction work under the contract had progressed far toward completion that Congress enacted the legislation which enabled the Government to make such loans.

The Government expenditures upon it have added greatly to the facilities of the plant, but it is not correct to say that these expenditures of themselves "established it as a power monopoly in northwestern Alabama." Its powers are, we assume, derived from the laws of the State of Alabama. We have no testimony in the record as to what powers were given it by that State nor do the minority know from any other source.

Under the terms of the contract there was to be deducted from the amount of \$30,000, payable each month by the Government for power, a rental for the use of the property constructed by the Government which would have amounted to about \$18,000, and after the amount of the Government payments should have exceeded \$30,000 per month, there was to be a deduction of 2 mills per kilowatt from the 6 mills per kilowatt agreed to be paid by the Government for all used in excess of 30,000 kilowatts, which was to go as a payment on the purchase of the Government facilities and, when the Government expenditures had been thus repaid with interest, the title to the property was to be vested in the company. Until such time, title remains in the Government.

The settlement with the company on matters growing out of the contract is one to be dealt with by the proper authorities after Congress shall have determined the future of the nitrate plant.

[Extract from pp. 120 to 122 of minority report.]

THE ALABAMA POWER CO.

As we have heretofore stated, the Alabama Power Co. does not stand in a favorable light with the minority upon the record before the committee. Further discussion might be unnecessary were it not for the fact that notwithstanding there is an agreement between the majority and the minority as to the attitude of the company itself, the majority

makes the discussion of it the occasion for criticism of Col. Joyes, whom we do not regard as being subject to criticism.

It will be remembered that the Alabama Power Co. is owned by the Alabama Traction, Light & Power Co. (Ltd.), which is a corporation of the Dominion of Canada, and that it is very largely the property of the citizens of Great Britain. For the proper view of the transactions involved it must be borne in mind that under the conditions prevailing at the time it was perfectly apparent that power for the operation of plant No. 2, in the beginning, would have to be obtained from some source other than the plant itself, and the Alabama Power Co. was the nearest and, so far as the record shows, the only available institution from which to draw it. Just here it is proper to say that several years ago Mr. Washburn withdrew from all activity in connection with this company except that he is a stock owner therein.

At the beginning of negotiations the company submitted a proposition, which involved the matter of a loan of \$2,250,000, for the installation of equipment necessary to furnish this amount. Col. Joyes held, and held correctly, that he had no authority of law to make such a loan. This was long before the act of Congress authorizing loans to private industry, and so negotiations had to proceed upon a different basis. That the company could not itself furnish all the money necessary, or any considerable portion of it, is doubtless true, and it being a Government proposition with the length of time that the service would be required uncertain, made it not improper for the Government to supply the funds under fair conditions. We do not feel that these conditions have been wholly met as to fairness, but we do believe that Col. Joyes made every effort within his power to protect the Government's interest in connection with the transaction. We think it is clearly inferable from the record that this company was extremely difficult to deal with, that its demands were large, and that the Government was compelled, in order to obtain the service, to comply with them.

As for the work done subsequent to the signing of the armistice, it must be remembered that it was done in accordance with the strict letter of contracts which had been entered into before that time. The company was in position to insist upon the performance of all the work there done, and it was undoubtedly the view of those having direct charge of the matter that it was better and more economical to carry out the contract to the extent that it was carried out than to repudiate or cancel it and negotiate a settlement. There are inaccuracies in the majority report. For instance, in the third paragraph on page 52 the impression would be gained from the language there that the turbo-generator had no test until December 29, 1919. It should be stated that this was a second test or a retest. It had been tested quite awhile before, and the General Electric Co., which furnished it to the Government, withdrew it from the plant, shipped it back to its factory, did the necessary work upon it, and returned it, all at its own expense. We do not think it is quite accurate to say that when the war began the company had a small system and were comparatively poorly equipped. It was a system of considerable magnitude and had good equipment but did not have the necessary amount of facilities to furnish the Government requirements.

The settlement made with the Alabama Power Co., referred to in the majority report, is not a complete one, at least there will necessarily have to be an adjustment of the rights of the two parties when the future of nitrate plant No. 2 shall have been determined. The Government has absolute title to all buildings, transmission lines and other property placed upon the lands of the company. This was provided by the terms of the contract. These are valuable properties for the company and, through the rights which the Government has, as to use of power, there is, we trust, a sufficient leverage to bring about a settlement based upon equitable principles.

The statement in the last paragraph of the majority's discussion of this subject, that practically all of the construction of the steam plant at Muscle Shoals was done after the signing of the armistice, is not correct. The major portion of the building was completed and commitments were outstanding for the greater part of the machinery. This is a powerful plant, one of the largest in the United States, and the test of it was satisfactory in all respects.

Mr. UNDERWOOD. Mr. President, there is one great problem that stands behind this bill, and that is the question of the completion of the dam at Muscle Shoals; but I am not going to discuss that question in connection with the pending bill. Of course, if the dam is completed, and we have electrical power furnished by water instead of steam, the operation of this plant will be more efficient and can be conducted more cheaply.

But even if it is not finished, this plant is provided with steam power to the extent of 120,000 horsepower, sufficient to run this plant, sufficient for its operation, and entirely independent of the building of the dam, although if we want to get real cheap nitrogen and manufacture cheap fertilizer I think the building of the dam ultimately will be necessary; but that is not involved now. It may be involved in a few weeks in the Senate when the sundry civil bill is reported for consideration, and it will be time enough when that bill comes before the Senate to consider that question on its merits. But I do say unless we are going back to the old days, when this Government pottered, with moss growing on every endeavor, when it was impossible to pass progressive legislation in the interest of the American people, when the hands of the clock were set backward and governmental progress ceased and special interests sat enthroned in Washington—unless this Government is going back to those days, then there is no reason why an effort should not be made to determine whether this development can be practically carried on in the interests of the Nation's life and the progressive development of America; and any effort to stop this bill is an effort looking backward, not looking forward.

I think it is idle to go to the country on the idea that this bill has not been considered, when it has been before the Congress of the United States for 14 or 15 months, when it was before the Committee on Agriculture and Forestry for 6 or 7 months, when they had voluminous hearings, which it seems that some members of the committee were unable to attend, but

which at least a majority of the committee attended, who considered and studied the bill. The bill was not prepared in an offhand manner. It was prepared by the very best experts of the War Department.

Mr. WADSWORTH. Mr. President, will the Senator mention those experts?

Mr. UNDERWOOD. They are named.

Mr. WADSWORTH. Does the Senator believe that Mr. Glasgow is an expert?

Mr. UNDERWOOD. Yes; I think he was, on this bill.

Mr. WADSWORTH. Expert in what?

Mr. UNDERWOOD. He was an expert in the information he gathered.

Mr. WADSWORTH. Had he ever been in the nitrate business?

Mr. UNDERWOOD. No.

Mr. WADSWORTH. Which one of them has?

Mr. UNDERWOOD. I think Mr. Burns has been in the nitrate business, in the operation of this plant.

Mr. WADSWORTH. No; Mr. Burns has not been in the nitrate business.

Mr. UNDERWOOD. I am glad the Senator asked me the question. It has been indicated here that we should not vote for this bill because Mr. Glasgow resides at present in England.

Mr. WADSWORTH. I have not made any such argument.

Mr. UNDERWOOD. No; but that has been stated here on the floor. Mr. Glasgow belongs to a very old family down in Virginia, and he lived there a great many years. He is a man of ability and education, and when it became necessary to determine what should be done with this plant, the President selected him and appointed him to investigate and report. There is nobody who has a higher regard for the ability and integrity of the Senator from New York than I have, and I know Mr. Glasgow, and I am willing to say that I regard them on the same basis. I say that if the President of the United States had appointed the Senator from New York, although he has never been in the nitrate business, with this high commission, with authority to call the experts, and go to Europe to investigate the matter, and determine it from a business standpoint, he would make a report that his brother Senators would have a right to take with confidence; and I say that Mr. Glasgow is a man of the same character.

Mr. Glasgow was appointed to investigate what should be done with this plant when the war was over. He called in experts, he examined the details, he went to Europe and investigated the nitrate plants of Europe, and the way they were handled, and then came back and made this report. I recall that in the testimony there is mentioned the name of a Mr. Scott, an English engineer, who is an expert in the manufacture of nitrogen, and who indorsed this bill.

Every governmental agent who had an opportunity to investigate this matter has recommended that during the time we do not need to operate this plant to make powder we operate it to make nitrogen to sell primarily for fertilizer, in order that the plant will not become obsolescent. I know there is an onward growth. I do not contend that the last word is said in the manufacture of nitrogen, and I know that if we operate this plant it must build on and on and on to keep pace with the time, the development of the world; and that is what it will do if you appoint a board of men to properly operate it. But if you do not, you will oil and paint your machinery, you will have no party of expert men to operate it, and you can not call men to operate a delicate, scientific piece of machinery overnight. If you have no organized force at the time of the outbreak of war to handle this plant, if you propose to lock it up and paint it and grease it, when the summons comes again you will not be prepared, even if you have the plant. But if you operate it and sell its product for a useful purpose, when the summons comes to war again, if it ever comes, you will have a trained class of experts in charge of this plant, and it will only be necessary to shift the plant from fertilizer to powder, and in 24 hours you will be operating as a matter of national defense.

More than that, as time slips by and new improvements become developed, as they will probably become developed, the plant can be kept up to date by this Government corporation you are organizing. I assume these directors will be men of intelligence and men of patriotic desire, and that if new developments come they will put them in the plant, they will keep it up to date, and we will have a live, growing concern.

There is nothing unusual about this plant. I am not referring to the cost of it. It cost more to build it in war than it would cost now, but that is not an issue here. The academic students of history may debate that question if they want to. We have a great nitrogen plant. Its value to-day is many millions. The question is, Shall we operate it in the interests of the Government and the American people? The simplest way to

operate it is to organize a corporation and appoint a board of directors, instead of having it dragged about with the red tape of a bureaucracy in the city of Washington.

Mr. WADSWORTH. Is the Senator familiar with Mr. Glasgow's suggestion about the appointment of the board of directors?

Mr. UNDERWOOD. I read his report, but I have not read it for many months, and I do not recall now.

Mr. WADSWORTH. Will the Senator permit me to read one paragraph from a letter addressed by Mr. Glasgow to the Secretary of War?

Mr. UNDERWOOD. Certainly.

Mr. WADSWORTH. In discussing the corporation, Mr. Glasgow said:

The Secretary of War would be chairman of the board; Mr. Roberts and Col. Burns might be president and vice president, respectively, as well as directors; the Chief of Ordnance might be another director; I should be willing to serve, if you wish, as director (in Europe).

And not one of those men has ever manufactured nitrates.

Mr. UNDERWOOD. My good friend from New York is not a lawyer, and therefore I think we must excuse him for indulging in that class of argument, because if he had been in the habit of reasoning along legal lines I am sure he would not have made such a suggestion. Mr. Glasgow, before this proposal comes in, before the bill is introduced, before Congress considers it, writes a friendly letter to somebody, suggesting who might be included in the personnel of the corporation if it is ever organized.

Mr. WADSWORTH. He writes to the Secretary of War, who is to appoint the directors.

Mr. UNDERWOOD. Certainly; but it was not organized; it was not accomplished. He was writing to his friend, the Secretary of War, suggesting where they might find the personnel for the organization of this corporation, and the Senator from New York, in his opposition to this bill, wants it driven back to the committee and throttled because, forsooth, a gentleman who is not in the country to-day writes a letter to the distinguished Secretary of War, who is going to retire from office on the 4th of March, and will have nothing to do with these directors. It is really a very pertinent reason why the bill should be passed, as the present administration is about to pass out of office and the administration of the Senator's party is coming in and will be charged with the responsibility of organizing this corporation and appointing the board of directors. So the fact that Mr. Glasgow has suggested that perhaps Mr. Burns or the Secretary himself might be efficient officers and directors it seems to me is not a really legitimate excuse why the Senate should send this bill back to the committee.

Mr. HARRISON. If the Senator will pardon me, the papers have lately stated that the President elect is considering the appointment of the Senator from New York [Mr. Wadsworth] as Secretary of War.

Mr. UNDERWOOD. I indorse the suggestion, although I am not willing to stand for the legal arguments of the Senator from New York; but when it comes down to his high personal character and business attainments I am willing to back him to the limit. But I want to call the attention of the Senator from New York to the fact that no matter what may appear extraneous of the record or in the record, the issue before the Senate is not what somebody says, it is what is in this bill, and that is expressed in five lines—

That the Secretary of War is hereby authorized and empowered to designate any five persons to act as an organization committee for the purpose of organizing a corporation under the authority of and for the purposes enumerated in this act.

Then it goes on and gives the powers. The Senator desires to make that read "the President" instead of "the Secretary of War." I have no objection to the amendment if he wants to make it the President. I do not care whether it is the Secretary of War or the President. That is immaterial to me.

Mr. WADSWORTH. Will the Senator suffer an interruption there?

Mr. UNDERWOOD. Yes.

Mr. WADSWORTH. I unfortunately was out of the Chamber when the Senator was discussing some of the amendments which have thus far been introduced. Did the Senator discuss the capitalization amendment which I offered?

Mr. UNDERWOOD. Yes; I discussed it. I am frank to say to the Senator that I said that, as to that amendment, the Senate itself can pass upon it. As far as I am concerned, I do not care to overcapitalize this plant. Of course, I would like to see the fertilizer, the product of the plant, go to the consumers of fertilizer at as low a price as possible. The Senator's amendment seeks to put certain burdens on the plant that I see no

value in, except that they will make it more difficult for this corporation to compete with private endeavor, and I am not in favor of that limitation. But it is a question the Senate can determine. There is no difficulty about determining it.

Mr. WADSWORTH. I was going on to ask the Senator whether he commented on my amended amendment to that provision or on the first one?

Mr. UNDERWOOD. I do not think I have seen the Senator's amendment to his amendment.

Mr. WADSWORTH. May I call the Senator's attention to this language, which I added to the first amendment, providing as follows:

If at the end of any fiscal year the corporation shall not have earned sums sufficient to meet the interest on said bonds as evidenced by audit of the accounts of said corporation by the Secretary of the Treasury, the corporation shall forthwith cease operations and shall not resume until authorized to do so by the Congress.

Mr. UNDERWOOD. If a majority of the Senate want to put that in the bill, well and good. It is better to have that in than not have the bill pass. It is better to have that in and to have this plant operated even with the limitation than without it. But, as far as I am concerned, I would not put the limitation on the operation of the great continental lines of America, something to stop their running and carrying the passengers and freight of this country to the ultimate destination by an arbitrary law, if they are operating for the Government. Nor would I put an arbitrary proposition in this bill to stop the operation of this plant under a particular condition. It is in the power of the Government.

The Senator's party is going to be in power for four years, at least in the Executive branch of it, and I am going to assume that that party is going to give an intelligent administration of public affairs. Whether it be the President or the Secretary of War, they are going to have the absolute power and control of the board of directors, can turn them out of office when they see fit, and through them turn the officers of this corporation out. To put an amendment on the bill that by law they can not change will absolutely stop the functioning of this plant if certain things do not happen. Any time they do happen I think it would be a foolish thing to do, if the Senator will allow me to say so. I think that the Senator's administration will put in men who will be intelligent men.

I know there is hardly a private corporation in America that has not had times when it failed to show a profit, when it failed to be successful, at least on the face of the paper, and yet afterwards it went back and made up its losses, and turned them into a great success. So it is with this plant. There may be hours and days and months when it may work without a profit, and yet if that time comes the Senator, by the limitations of his amendment, would stop it by law instead of leaving it in the discretion of the board of directors appointed by his party. The Senator has not as much confidence in the intelligence of the appointing powers to be as I have. I believe they will endeavor to give an intelligent operation of the corporation.

Now, Mr. President, I have consumed more time of the Senate than I intended. I thank Senators for the attention they have given me, and I hope that we may have a vote on the motion of the Senator from Wisconsin on the question to recommit. If we are going to recommit the bill let us find it out. Each Senator can take his own responsibility in the matter, and let us go to something else. If we are not going to recommit it and a majority of the Senate desires its consideration, then let us proceed to the consideration of amendments and clear this out of the way for the consideration of other pressing business that must be determined upon before the 4th of March.

Mr. HARRIS. Mr. President, during the late war we were dependent upon Chile for nitrate with which to prosecute the war. It is a well-known fact that Germany threatened Chile and told her not to let our Government have nitrate. If Germany's navy could have reached the coast of Chile she could have kept Chile from letting us have nitrate, she could have delayed our preparations for war, and it would probably have meant the death of many splendid young American boys.

I hope we shall never have another war. I do not think we shall have war with Japan, but I believe the chances are that we are more likely to have war with Japan than with any other country. I spent several weeks in Japan this summer and I do not believe the people of Japan want war with us. We are their best customer and they are among our best customers. I know the people of the United States wish to continue our friendly relations with Japan which have lasted many years. But suppose Japan declared war on the United States, what would she do the first thing in the event we did not have this nitrate plant? The very hour she declared war with the United States she would have her gunboats at Chile to stop nitrate coming into this country, and this delay in preparation might

mean the death of thousands of American boys. Every leading nation except the United States is prepared to get nitrate.

A number of our friends on the other side of the Chamber have often said in criticism of the lack of preparation on the part of the United States that the way to prevent war was to prepare for it. Here is the preparation we on this side of the Chamber are offering the country, and what do we find from a majority of those on the other side? Instead of co-operation they are opposing this measure. The fertilizer and powder trusts and other selfish interests are here lobbying against this measure because it makes our Government independent of them and will furnish fertilizers to farmers at such reduced prices that they could raise foodstuffs cheaper and reduce the cost of living.

I would like to answer the objections of the Senator from New York [Mr. WADSWORTH], for whom I have the highest regard, as to the expense of manufacturing fertilizers. He said that the great expense would be prohibitive, or words to that effect.

The manufacturers of fertilizers sell in carload lots. One billing clerk alone could attend to all the shipping of the nitrate plant output. The farmers and all the people of our country would be benefited. In most of the States there is great increase in the use of fertilizers by the farmers; in some States the increase is over 200 per cent, and it is increasing all over the country. In my State—Georgia—the farmers spend nearly fifty millions annually, and the construction of this plant would mean a saving of several million dollars a year to them.

On January 4 I sent to the Secretary's desk a proposed amendment to the bill. The chairman of the Committee on Agriculture informed me that it met with his approval. Four days later the Senator from South Carolina [Mr. SMITH] offered an amendment which was similar. I ask unanimous consent to offer mine as a substitute for the amendment of the Senator from South Carolina in connection with the proposed recommitment of the bill, and I ask that it be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The ASSISTANT SECRETARY. As a substitute for the amendment offered by the Senator from South Carolina [Mr. SMITH] the Senator from Georgia [Mr. HARRIS] proposes to insert, on page 5, line 19, after the word "others," the following:

preference being given to farmers, and all such products sold to producers of fertilizers shall be with the agreement that they shall resell to farmers at reasonable prices.

Mr. WALSH of Massachusetts. Mr. President, during the able speech of the Senator from Alabama [Mr. UNDERWOOD] some questions were raised as to the attitude of the Secretary of Agriculture toward the bill. Since that time some one has called my attention to the report of the Secretary of Agriculture, made public December 11, 1920. What he has to say upon the subject I think is interesting and ought to go in the Record. It is very short and I will read it:

"NITROGEN AND POTASH.

"The European war emphasized the fact that no effort should be spared to establish national independence in the production of fertilizer materials. This is especially true in the case of nitrogen, which is not only a valuable fertilizer ingredient but an essential element in the manufacture of munitions. Of all the nations involved in the war, Germany alone had a sufficient nitrate supply within her borders, but England, France, and Italy are now rapidly perfecting plans to make themselves equally secure in this respect. Increased interest has been manifested in this country also in the study of methods for fixing atmospheric nitrogen, and the Department of Agriculture, through the Bureau of Soils, has actively cooperated with the War Department in this important field. The production of ammonium sulphate from by-product coke ovens and gas plants has greatly increased, but not sufficiently to meet the demand for fixed nitrogen.

"The nitrogen fixation plant at Muscle Shoals, Ala., completed shortly before the armistice, offers a hope for an independent source of nitrogen for fertilizer use in time of peace. This plant is prepared to make calcium cyanide, or, by some additions, to manufacture ammonium sulphate. With modifications, also, it may be equipped for the preparation of highly concentrated fertilizer materials which will be free from filler, and therefore result in a considerable saving to the consumer in freight charges. The plant is still idle, awaiting the necessary authority from the Congress for its operation. It is hoped that the matter will receive consideration at the next session of the Congress and that the requisite authorization will be granted without further delay, in order that the Nation may escape, once for all, from dependence upon foreign nitrate fields, and that an adequate supply of nitrogen may be developed both as

a protection in times of national stress and to meet the growing demand for this valuable product for fertilizer purposes."

Mr. KING. Will the Senator permit a suggestion in connection with what he has read?

Mr. WALSH of Massachusetts. Certainly.

Mr. KING. The plant, I understand, has been completed for the purpose of manufacturing nitrogen for explosive purposes. Nothing further is required. It has cost substantially \$80,000,000. My understanding is that the plant is of a very high character and that in addition to the plant for the manufacture of nitrogen for explosives, or in connection with it, there is a very valuable and up-to-date steam plant, which has been completed; so there is nothing whatever to prevent the manufacture of nitrogen now for explosive purposes. Whatever the Government needs, if it needs any, may be manufactured now by the plant, which has been completed at such enormous expense.

I venture further to trespass upon the Senator's time by suggesting that the plan now is to proceed to construct enormous dams, one or more, in the Tennessee River at Muscle Shoals, the cost of which will be in the aggregate at least \$50,000,000, and, in addition to that, to expend further sums upon the plant to manufacture sulphate of ammonia and perhaps other products. I do not know just what they will be. So the entire expense in the aggregate would possibly be in the neighborhood of \$150,000,000, nearly one-half the cost of the great Isthmian Canal.

If the Senator is interested in the manufacture of nitrogen for explosive purposes, the Government at tremendous expense has built the plant for that purpose. Now the question is, Shall we go ahead and spend fifty or more million dollars to manufacture sulphate of ammonia, which may be used for fertilizer purposes? Shall we invade the province of private activity? Shall we project the Government into the manufacturing business when everybody knows that if the Government engages in the business the cost will be enormous? We have had so many evidences of the incapacity of the Government to conduct private business that I confess I shrink from projecting the Government into further business activities.

Mr. WALSH of Massachusetts. I am very glad to have the Senator's views. He will understand, of course, that I was not making an argument on the subject. The question arose as to the attitude of the Secretary of Agriculture on the question; my attention was called to his report; and I thought it was a contribution which ought to be made to the discussion.

Mr. LENROOT. Mr. President, I shall occupy only a few moments in reply to the Senator from Alabama [Mr. UNDERWOOD]. As I stated Saturday, the principal reason upon my part for the motion to recommit is that we have the sundry civil bill here from the House, and the House has refused to make appropriation for further construction of the Muscle Shoals Dam. The testimony is overwhelming that the plant can not be profitably operated except with water power, so it resolves itself into a plain business proposition, shall we go ahead with \$12,500,000 of Government money in a proposition that can not possibly be successfully operated unless the Muscle Shoals Dam is completed? That is the question.

There are some figures in Mr. Glasgow's letter showing that the plant might operate even with steam power at a profit; but in that letter Mr. Glasgow says:

It must be borne in mind that the estimates of cost for the first two periods, ending when water power becomes available (say, December, 1922), are based upon the continuous operation of eight carbide furnaces, or 80 per cent of the ultimate capacity of the plant. It is obvious that a new industry of these huge dimensions will not thus spring into being; the creation of this unique manufacturing organization, and the marketing of this great output must be matters of careful and gradual growth. In fact, this growth will doubtless continue until the water power becomes available before reaching the full 80 per cent capacity of the present steam-power plant. For this reason the figures for steam-power costs in the first and second periods are academic rather than practical; they are useful as illustrating the great advantages attaching to cheap water power rather than as a measure of profit and loss during the initiation of the business.

That is Mr. Glasgow's opinion.

Mr. President, would any business man—and we are trustees for the people of the United States—think of going ahead with this project on a steam-power basis? There can be but one answer, and that is no. If this bill is recommitted to the committee, if the Senate shall conclude to go on with the Muscle Shoals Dam project and the other House recedes from its position, then I will cooperate with the Senator from Alabama and the chairman of the committee in perfecting the bill, because, in that event, I think it ought to pass.

The Senator from Alabama has referred to special interests represented in the lobbies here in regard to this bill. He stated that he did not wish to cast any reflection upon any Senator who was opposing the bill, and I am sure he did not; nor do I wish to cast any reflection upon the Senator from Alabama in what I am about to say.

Mr. UNDERWOOD. I was interrupted and did not hear the Senator's statement.

Mr. LENROOT. I stated that the Senator said he did not wish to cast any reflection upon Senators who are opposing the bill, because of the fact of special interests opposing it.

Mr. UNDERWOOD. Certainly not; and I do not cast any reflections on the special interests, except that I stated they were here.

Mr. LENROOT. And I do not wish to cast any reflections upon the Senator from Alabama; but in the 10 or 12 years in which the Muscle Shoals project has been before Congress in one form or another, this is the first time that any special interests happen to be upon the same side that I appear upon to-day. In the past they all have been upon the same side as the Senator from Alabama in urging legislation for the improvement of Muscle Shoals. That is no reflection upon him; he has been sincere; and I am sure that he would not wish any reflection to be cast upon any Members on the other side.

So far as the special interests are concerned, I have not met the representatives of a single one of them; I do not know a single one of them; and my position upon the bill to-day is the same as it has been in the past. I may also say the position of the Senator from Alabama upon the bill is the same as it has been in the past. I think his one desire—and I do not criticize him for it—has been to secure the development of the Muscle Shoals water power. If private interests were ready to undertake that development, if the fertilizer trust was ready to undertake it, the Senator from Alabama was willing they should do so. Now, the Senator criticizes the same people for opposing the proposition. Their motive has been readily explained, I think, in the telegram which the Senator from Alabama introduced this afternoon, in which the Alabama Power Co. states that Mr. Washburn and Mr. Worthington are no longer connected with the Alabama Power Co.

Now, as to the statement of the Senator from Alabama that there is nothing in the bill that requires any further consideration at the hands of the committee. He went over the amendments proposed by the Senator from New York. I have not offered the amendments which I shall offer to perfect the bill if my motion to recommit is lost, but I did the other day call attention to the fact that there is not a line in the bill protecting the farmer in securing fertilizer from the operation of Muscle Shoals plant. There is not a syllable in the bill that requires the operation of the plant by the corporation proposed to be created. Under the terms of the bill they may make a contract with any of the fertilizer companies to operate the plant that has cost the Government so much money for a hundred years if they choose, with no power on the part of the corporation or the Government to regulate the price which the farmer must pay for the fertilizer that may be produced.

There is a provision in the bill that the President may delegate to the corporation the powers delegated to him by section 124 of the national defense act. Why was that put in the bill? He could have done so if that section were out of the bill. He is empowered to designate any agency that he sees fit. The Senator from Alabama must admit that there is only one purpose that the War Department had in putting that provision into the bill, and that was to get rid of the restrictions placed in section 124 of the national defense act for the benefit of the farmers of America. There can not be any other purpose behind it. That restriction was that the plant when completed should not be operated in cooperation with private capital, but should be operated by the Government itself. That is the restriction of which the War Department desires to get rid of. Why should this be done if this is a bill in the interest of the farmer? At the proper time one of the amendments which I shall propose will be to strike that provision out of the bill.

Mr. UNDERWOOD. Let me ask the Senator a question. The powers of the corporation are embraced within the four corners of the bill. Does the Senator from Wisconsin, as a lawyer, say that when we give the board of directors the power to operate the corporation as a Government corporation they can enter into partnership with any private corporation in its operation?

Mr. LENROOT. They can. The power is expressly given in two instances in the bill. One of them is found in subdivision (f), which provides:

(f) To enter into such agreements and reciprocal relations with others as may be deemed necessary or desirable to facilitate the production and sale of nitrogen products on the most scientific and economical basis.

Under that language the directors of the corporation could say, "The American Cyanamid Co. can run this plant more economically and better than we can, and we will let a contract to the cyanamid company to run it." Later on in subdivision (m) we find this language:

(m) To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the Secretary of War to lease to other persons, firms, or corporations any of its properties not used or needed by the corporation, or to enter into agreements with others for the operation of such properties.

Mr. UNDERWOOD. I will say to the Senator, if he will allow me, that I do not think there is a necessity for our sending the bill back to committee for any such reasons, because I am sure that I agree with what the Senator says about the desire to have the plant operated for fertilizer when it is not needed for war purposes. If there are any amendments which are necessary to protect that purpose, I am sure that the Senator would not only command my vote but probably he would command the vote of all of those who favor this proposed legislation. So I can not see any reason, if it is a mere question of that kind, to be on the safe side, for recommitting the bill. We can adopt such an amendment as that within a very few minutes.

Mr. LENROOT. The Senator from Alabama knows as well as I do how difficult it is to get individual amendments adopted on the floor of the Senate, with a few Senators listening to the discussion, as there have been very few throughout this entire debate. Senators come in on a roll call and vote with the committee. The Senator from Alabama knows that quite as well as I do.

Mr. UNDERWOOD. I do not think there would be very great difficulty in adopting the particular amendment to which the Senator has reference, if that is all there is involved; but if the Senator failed to secure his amendment, failed to protect what he thinks is the prime interest of the bill, as to which I agree with him, then there would be a reason for sending the bill back to the committee. I think, however, there is no reason for sending the bill to the committee in advance, fearing that it will not be properly protected along those lines.

Mr. LENROOT. In this bill, from beginning to end, apparently, there has been a deliberate intention on the part of somebody to get away from the restrictions of section 124 of the national defense act, which were placed in that act on the initiative of the Senator from South Carolina for the protection of the farmers of the United States. At every page of this bill there will be found provisions for that purpose, among them being a specific repeal of the restrictions provided in the national defense act secured through the efforts of the Senator from South Carolina.

Now, what happened, Mr. President? I have read the hearings from beginning to end, and there was not at any point in the hearings any discussion or consideration of the details of the bill. There was a discussion of the principles of it; it was assumed that the corporation would operate this plant; but nobody apparently took the trouble to find out whether the corporation proposed to be created by the bill would be compelled to operate it or whether it might lease the plant or make contracts with others to operate it. That it did not receive consideration at the hands of the committee I think is apparent upon the face of it, for I can not conceive of my friend the chairman of the Committee on Agriculture and Forestry [Mr. GRONNA], if he had carefully considered the provisions of the bill, giving his consent to having it reported with the provision in it that the sale of fertilizer, if manufactured by the corporation, should be to "producers and users," putting "producers" first, which means fertilizer companies. I am sure the one purpose of the chairman of the committee is to secure benefit for the farmers of the United States, and I can not conceive of his being willing to have a bill reported that put producers or the fertilizer companies before the farmer in the securing of the product of the plant.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LENROOT. I yield.

Mr. GRONNA. I think it is only fair for me to say to the Senator that I have on two occasions at least indicated to him on this floor that several members of the committee—three of them at least—reserved the right to offer certain amendments. I was one of those who reserved that right.

Mr. LENROOT. May I ask the Senator a question?

Mr. GRONNA. In just a moment, if the Senator will permit me to proceed a little further. I have said that all of the members of the committee were not present the day the bill was reported out of the committee. I did not want to shirk any responsibility, for I was in favor of the general principles of the bill. That is true. I am in favor of limiting the time which may be extended to any leaseholder by the corporation, and as soon as I can get the floor I shall express myself in regard to

that. I am also in favor of striking out the last paragraph of subsection (m), and, if the Senator will permit me, I will read it. It is as follows:

In the operation, maintenance, and development of the plants purchased or acquired under this act the corporation shall be free from the limitations or restrictions imposed by the act of June 3, 1916, and shall be subject only to the limitations and restrictions of this act.

It is my purpose to move to strike that out. I believe there are some amendments which the Senator from Wisconsin has to offer—

Mr. LENROOT. I am not criticizing the chairman of the committee; I am simply using that to illustrate what it seems to me must appear to be the fact, that this bill was not considered in the committee and amendments proposed by the committee to perfect the bill.

Mr. GRONNA. It may be true that before the bill was reported out the members of the committee, who had indicated a desire to offer amendments, may not have had that opportunity; I do not deny that; but it was understood, as the Senator from South Carolina who reported the bill has said—and it was so understood, I think, by every member of the committee—that it would be permissible and they would have the right to offer amendments on the floor.

Mr. LENROOT. I am sure that the Senator will not approve of the practice of a committee deliberately reporting out a bill full of imperfections with merely the reservation of the right to offer amendments on the floor, without attempting to secure the adoption of the amendments in the committee.

Mr. GRONNA. I may answer the Senator in this way: We have, I am glad to say, some of the best lawyers in the Senate on the Agricultural Committee. The chairman of the committee is not a lawyer, as every Senator knows, but we have some very good lawyers on the committee. Unfortunately, however, those members were not able to be present at all times. The War Department was very anxious to have the bill reported out; many of the agricultural associations were asking that it should be reported out; and we had confidence in the membership of this body that when the bill reached the Senate every Member of the Senate, or the lawyers of the Senate, at least, would assist in offering amendments to perfect the bill.

Mr. LENROOT. Mr. President, inasmuch as the chairman has made that statement, I want to take a few moments in going over amendments that I think clearly should be made to the bill if the public is to be protected.

Mr. SMITH of South Carolina. Mr. President, I ask the Senator to allow me to make just one remark apropos of what he has said about the imperfections of the bill, and reporting it out, and that the testimony did not disclose any dwelling upon the particular features of the bill.

I am going to state, as one member of the committee, that those who appeared in behalf of the bill from the War Department came seemingly possessed of a determination to defeat the very purpose that the Senator from Wisconsin and the Senator from South Carolina desire shall not be obtained by these outside interests. A close reading of the hearings before the committee will disclose that there was the most acrimonious argument and debate between the cyanamid people and the War Department. All the testimony given by the War Department was leading up to and developing the idea of munitions and this ingredient for the farmer—so much so that they, on their own motion, had certain members of the Agricultural Department who were charged with these particular matters come before us and give expert testimony. Now, one would not simply have inferred but would have been saturated with the idea that these people were endeavoring to carry out the object and purpose of section 124. I can see, as the Senator sees, that if you remove it from the condition in which the committee was considering it, those who were the proponents of the initial draft were strenuously arguing against the private parties who were opposed to the bill. They were taking the side that we are taking, and going to the extent of this voluminous testimony to show what could be done and what was not possible to be done. The entire matter should be considered in the light of their testimony as friends to our view.

But I stand here to-day and say that my intention is to strike from this bill, if we are to amend it and pass it, any possible power to be delegated to this Government corporation that would give them the right to lease or call into copartnership with them any of these interests that we have been discussing here in the passage of this bill in the committee and in the passage of the old act of 1916, because there is but one object before us, and that is to make the Government independent of outside interests in the manufacture of its powder, in the manufacture of its ingredients for explosives, and, incidentally, to aid us in determining what is a legitimate price for the stuff that goes into the soil for the help of the farmer.

Mr. LENROOT. Mr. President, I feel very sure that the Senator from South Carolina has correctly stated the situation. When the committee found such special interests as the American Cyanamid Co., that had always been trying to get this legislation and that controlled the Alabama Power Co., fighting this legislation, very naturally the committee took it for granted that the bill must be a good bill to a very large extent. I rather think that if the committee had known that the American Cyanamid Co. no longer controlled the Alabama Power Co. they might have scanned the bill more closely than they did.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from North Dakota?

Mr. LENROOT. I do.

Mr. GRONNA. I want to say to the Senator that Mr. Washburn was asked before the committee whether he had any interest in the Alabama Power Co., and he stated positively that he had not; so it was known to the committee that Mr. Washburn no longer had any interest in the Alabama Power Co.

Mr. LENROOT. And did the committee consider any interest that the Alabama Power Co. did have, or might have, in this legislation?

Mr. GRONNA. I can only answer for myself. As one of the members of the committee, I, of course, was very anxious, and I am now, to make the condition such that this shall be absolutely a Government plant, and that it shall not be possible for any private corporation to cooperate with the Government, but that it shall be exclusively a governmental plant; but I will say to the Senator that I am not in favor of restricting the powers of the agencies of the Government. If it is under the War Department, I believe we should give them broad powers.

Mr. LENROOT. Let me understand. Then, is the Senator from North Dakota willing to grant to the War Department the power to lease this power and give the benefit of this Government expenditure to the Alabama Power Co.?

Mr. GRONNA. No; I am not; and I want to say to the Senator that I have been trying all the afternoon to get the floor in order to suggest certain amendments, and if the Senator will pardon me for this interruption I shall try to be as brief as possible.

On page 7 of the bill, line 22, after the word "corporation," I want to add the following language:

For a term not exceeding 20 years.

That is in accordance with the first section of the bill, where it extends to this corporation a franchise to continue for 20 years.

Mr. LENROOT. Let me ask the Senator there whether he is willing that this property should be leased, we will say, to the Alabama Power Co. for a term of 20 years?

Mr. GRONNA. No.

Mr. LENROOT. Or that the water power shall be leased to the Alabama Power Co. for a term of 20 years?

Mr. GRONNA. If the Senator will let me finish, I can express my thoughts in just a very few words.

The sentence would then read in this way:

To lease or purchase such buildings or properties as may be deemed necessary or advisable for the administration of the affairs of the corporation or for carrying out the purposes of this act; and with the approval of the Secretary of War to lease to other persons, firms, or corporations any of its properties not used or needed by the corporation for a term not exceeding 20 years, or to enter into agreements with others for the operation of such properties—

And then I want to repeat—

not used or needed by the corporation.

And then strike out the remainder of the paragraph.

Mr. LENROOT. Who determines that? The corporation does, does it not?

Mr. GRONNA. I want to strike out the remainder of the paragraph.

Mr. LENROOT. But the corporation determines whether it is used or needed, does it not?

Mr. GRONNA. The corporation is the Government corporation.

Mr. LENROOT. Yes; but if the corporation says: "We do not use this property; we do not need it; we will lease it to the Alabama Power Co. for 20 years," does the Senator say he is willing to have such a provision in the law?

Mr. GRONNA. Mr. President, I have before me the act creating the agency for building the Alaska Railroad. I observe that very broad powers are given to that corporation—very broad powers—and necessarily so.

Mr. LENROOT. That is true; but does the Senator think, then—I want to see what the Senator's position is—that this corporation should be given power to lease all of this property, even for 20 years?

Mr. GRONNA. The Senator has not listened very attentively to what I have been saying.

Mr. LENROOT. Yes, I have.

Mr. GRONNA. I repeat, in the amendment which I intend to offer the corporation will have power to lease any of its property "not used or needed by the corporation" for a term not exceeding 20 years.

Mr. LENROOT. Suppose the directors say: "We do not either use or need this property, and so we are going to lease it."

Mr. GRONNA. I can hardly imagine that any honest man appointed as a Government agent would undertake to turn over to outside parties property belonging to the Government of the United States; and these men being charged with the responsibility of being a governmental agency, I can hardly imagine that they would so grossly violate the law.

Mr. LENROOT. It would not be any violation of the law at all.

Mr. GRONNA. I believe it would.

Mr. LENROOT. Oh, no. Let me give the Senator an illustration. Suppose this capital is used up in losses before you get this water power. No capital is left to run the plant. Congress does not give this corporation any more capital. The plant must lie idle. It is, therefore, not used by the corporation; and, under the language that the Senator proposes, they could lease it for 20 years.

Mr. GRONNA. Oh, no, Mr. President. That is another question altogether. This paragraph simply has reference to what this corporation could lease. It would be properties for which it had no use and which it could spare. For instance, if they are giving water power, if there was more power than was needed by the corporation, naturally they would lease some of that water power.

Mr. LENROOT. Is the Senator in favor of that?

Mr. GRONNA. I am in favor of leasing the water power if we have a surplus of water power.

Mr. LENROOT. By this corporation?

Mr. GRONNA. By the Government of the United States.

Mr. LENROOT. No; by this corporation?

Mr. GRONNA. By the Government.

Mr. LENROOT. No; by this corporation? This is not the Government.

Mr. GRONNA. I am not in favor of the company leasing it, but the Government.

Mr. LENROOT. That is what the bill provides.

Mr. GRONNA. Not after the amendments which we are to offer.

Mr. LENROOT. Yes; with the Senator's amendment the bill would provide for leasing it for a period not exceeding 20 years.

Mr. GRONNA. But the Senator must recognize that this corporation is a corporation set up exclusively by the Government, and whatever profits are made go to the Government.

Mr. LENROOT. Oh, yes; I understand that.

Mr. GRONNA. And if there are any losses, the losses are sustained by the Government.

Mr. LENROOT. And the Senator knows quite as well as I do, in view of the history of the past, that when an officer of the Ordnance Department is elected director of a corporation he does not change his nature. If he was a good man before, he is a good man afterwards. If he conserved the interests of the Government before, he would do so afterwards. If he wasted the money of the Government before, he would be very likely to waste it afterwards. But this only illustrates, Mr. President, the necessity of having this bill recommitted. The Senator's amendment, which he says he will propose in order to protect the public, would not protect the public at all. By one of the first amendments this corporation is given unlimited power to make contracts. It can make a contract with relation to this very nitrate plant for operation covering a hundred years. I am sure the chairman of the committee is not in favor of that. I am sure no member of the committee is in favor of that. One of the amendments I shall offer, if we reach that point, will provide that no such contract shall extend beyond the period of the life of the corporation.

Another amendment that is very necessary, if the farmer is to be protected, is that if this product is to be sold to fertilizer companies there shall be some control over the price that is to be charged to the consumer. The committee has not protected the farmer in any respect in that regard.

Another amendment that I shall offer is that not more than two of the directors of this corporation shall be officers in the War Department. The necessity of that must be apparent.

Mr. WADSWORTH. Mr. President, that will conflict with one of mine, which in effect says that none of them shall be officers in the War Department.

Mr. LENROOT. If the Senator's is adopted, then of course mine will not be considered. We all agree, I think, that a majority of them shall not be officers in that department.

Mr. President, at this point I am going to ask that there be printed and lie on the table amendments which I have proposed to this bill.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. LENROOT. Now, Mr. President, in conclusion, there is not a Senator on this floor, if it was a matter of his own business, who would ever go ahead with this proposition if the Muscle Shoals Dam is not to be completed. As I said, if it is to be completed, we ought to go on with it and utilize this plant in this way. But there are \$43,000,000 involved, \$43,000,000 of new money involved, and if Congress is not going to appropriate the money, it would be the very height of folly to pour \$12,500,000 into a corporation which would act like a sieve under operation by steam power.

Mr. POMERENE. When the Senator speaks of the \$43,000,000, is he referring to the amount necessary for the purpose of completing the dam?

Mr. LENROOT. Completing the dam alone, and that \$43,000,000 and the \$12,500,000 provided for in this bill make \$55,000,000 involved in this matter.

Of course, it is very apparent that what is desired is to pass this bill, and then say, "Muscle Shoals must be completed, because we have passed the nitrate bill." On the other hand, they say that we must have this nitrate plant, because we are going to complete the Muscle Shoals Dam. That has been the argument all along up to this time.

But, Mr. President, I must be permitted to repeat that this bill in its present form offers no protection to the farmer whatever. There is no provision in it which offers security to the farmer that he will receive fertilizer at a reasonable price. The eminent chairman of the committee the other day just before we adjourned stated that he was more interested in securing this plant for explosives for the Government than he was in the fertilizer part of it, although that was important. Of course, the chairman of the committee must know that this is a complete plant now for the manufacture of explosives for the Government. I would be the last Senator to advocate either the selling of this plant or the tearing of it down. It is a plant where explosives can be manufactured at once, and it ought to be kept in condition for the purpose. Of course, we now have nitrate sufficient on hand, so far as peace times are concerned, to last this Government for the next 30 years. But this plant should be kept in such condition that it can manufacture nitrates for explosive purposes if there shall ever be another emergency. It is true that the officials of the War Department state that to keep this plant in condition will cost \$400,000 a year. That may be so. Whether that is too high or not I do not know. I am frank to say that we have found estimates of the War Department being rather too low than too high. But we are paying 6 per cent for money, and 6 per cent on \$10,000,000, asked by the amendment of the Senator from Alabama to go on with Muscle Shoals, is \$600,000 a year, so the interest is \$200,000 more than the cost of keeping this plant in condition.

But however that may be, that is not before the Senate now. I simply present the plain, business proposition, that if the Senate would have any concern for the taxpayers of America it will not pass this bill now before it determines whether this dam at Muscle Shoals is to be completed so that the water power may be furnished this plant, so that it can be run without a great loss to the Government.

Mr. GRONNA. Mr. President, may I ask the Senator just one question?

Mr. LENROOT. Certainly.

Mr. GRONNA. Does the Senator understand that this provision in the bill is for the purpose of completing the dam?

Mr. LENROOT. Certainly not. But is the Senator willing to expend that \$12,500,000 on this corporation unless water power is to run the plant?

Mr. GRONNA. Yes, Mr. President. This is for working capital, to keep the plant going.

Mr. LENROOT. But does the Senator think this plant can be properly operated by steam?

Mr. GRONNA. If it is not, it will not be a dangerous competitor to private business.

Mr. LENROOT. I am not concerned in that.

Mr. GRONNA. Because then the products will cost so much that private enterprise can undersell the Federal Government.

Mr. LENROOT. Certainly; but what has that to do with it?

Mr. WADSWORTH. Then why go into it until water power is available?

Mr. GRONNA. Because we have the plant completed.

Mr. LENROOT. No; it will cost \$3,000,000 more to complete it for this fertilizer.

Mr. GRONNA. The plant is completed for the purpose of making cyanamid. Mr. Washburn so stated, and that is the report of the committee.

Mr. LENROOT. But it is sulphate of ammonia which they expect to sell.

Mr. GRONNA. Yes; to make the change so as to manufacture sulphate of ammonia I presume it would cost what the Senator says.

Mr. LENROOT. Three million dollars.

Mr. GRONNA. But the balance would be for working capital.

Mr. LENROOT. Yes.

Mr. GRONNA. If the Senator will refer to a statement made by what I consider very high authority, which will be found on pages 998 and 999 of the hearings upon the sundry civil appropriation bill for the fiscal year ending June 30, 1922, Part I, he will find a statement of Hugh L. Cooper, addressed to Gen. Taylor, Office of Chief of Engineers, War Department, Washington, D. C., under date of November 27, 1920. That goes into the question of whether or not we can operate by steam. Of course, knowing as little about water power as I do, I hesitate to discuss the question except from this standpoint. As a business man I know that if we take additional capital to complete the water power, interest must be figured on that additional capital. It is a question of whether it would be cheaper to operate this plant No. 2 by steam, taking the amount of money which has been expended, or add whatever is necessary. I can not say, because we have not had two men before us yet who have really agreed as to exactly what it would cost to complete the dam, because that depends largely upon conditions. It will not cost as much this year as it would have cost last year. It may not cost as much next year as it would this year.

But I think the Senator will agree with me that that is a sound argument, that if we take an additional \$50,000,000, say, to complete the dam, if this corporation is to make 5 per cent upon the capital stock of the corporation we would have to figure that 5 per cent on the additional \$50,000,000. So the question is, Would it be cheaper to operate this plant with steam as it is or to add the additional capital? That is the question which must be considered.

Mr. LENROOT. The Senator is aware that an effort was made to get private capital to operate this plant with steam, and the Senator is aware an offer was made to make a lease without any rental until the dividends had exceeded 9 per cent, and they could find no private capital to take this plant for nothing.

Mr. GRONNA. I stated the other day that Mr. Washburn—and I consider him an authority—testified for several days before our committee, and so did some of his staff, and they all appeared to me to be able and high-class men, and he stated that the plant could not be sold at any price just now. He agreed with the statement of Maj. Gaillard and Secretary Baker that it would cost nearly a half million dollars a year to keep the plant in repair, even if it were lying idle.

Mr. LENROOT. Four hundred thousand dollars.

Mr. GRONNA. From four hundred thousand to five hundred thousand dollars.

Mr. LENROOT. But the Senator remembers that it was stated that they could not get private capital to take this plant for nothing and make fertilizer. That is in the record, is it not?

Mr. GRONNA. I presume it is. I do not recollect just now.

Mr. LENROOT. Is not that pretty good evidence that the only way this plant can be operated successfully is by water power?

Mr. GRONNA. No. After reading this statement, to which I call attention, which I believe is very important—

Mr. LENROOT. What is the date of that letter?

Mr. GRONNA. November 27, 1920.

Mr. LENROOT. The Senator will not say there is anything about steam in that?

Mr. GRONNA. Oh, yes.

Mr. LENROOT. Not as a comparison; not on the running of this nitrate plant?

Mr. GRONNA. It is figured out by the kilowatt, of course, what it would cost per kilowatt per hour.

Mr. LENROOT. Is the Senator familiar with the fact that when they attempt to show a profit before his committee on this nitrate plant they figure on getting this power for three-quarters of a mill per kilowatt hour, when in that letter of Col. Cooper to Gen. Taylor he figures 4 mills per kilowatt hour, or nearly five times as much as was figured before the Senator's committee?

Mr. GRONNA. The gentleman making this report is speaking of primary power. He speaks of 4 mills on the primary power and 1½ on the secondary power.

Mr. LENROOT. It is the primary power that they expect to use here.

Mr. HEFLIN. Mr. President; I am very much opposed to the motion of the Senator from Wisconsin [Mr. LENROOT]. As has been said by my colleague, the senior Senator from Alabama [Mr. UNDERWOOD], there is no good reason for referring this bill back to the committee. It has been in the hands of that committee for six or seven months, and it seems to me that the Senate should now proceed to vote upon this measure, which has already been reported favorably by that same committee for the consideration of the Senate.

The Senator from Wisconsin has dragged the Alabama Power Co. into this discussion. The Senator seems to have a terrible grouse growing out of some grudge or grievance against the Alabama Power Co. The Alabama Power Co. is a great and useful industry in my State, and is entitled to fair treatment, and it is entitled to have the truth told about it regarding its interests and activities.

This power company, Mr. President, has built a power dam across the Coosa River in my State, and by so doing has saved the Government several millions of dollars by making that river navigable for several miles. The Government will sooner or later complete that navigation project and make the Coosa River navigable all the way from Rome, Ga., to Wetumpka, a town near Montgomery. This company should not be condemned unless it has done something which deserves condemnation, and I do not know of a single act of this Alabama industry that warrants the caustic criticism to which I have referred.

In this connection I wish to read a portion of a telegram which I have received from a splendid citizen of my State, the vice president of the Alabama Power Co.

The matter referred to is as follows:

[Telegram.]

BIRMINGHAM, ALA., January 9.

Senator J. THOMAS HEFLIN,

Washington, D. C.

Since we had no opportunity to appear before the Graham committee and had not the slightest reason to think our company would be touched on by this committee, we were surprised when we read the Graham report, which does Alabama Power Co. great injustice. If Graham committee had been interested in getting the facts in any matter with which Alabama Power Co. was connected or had been connected, this could easily have been accomplished by inviting us before the committee, which was not done. It comes with bad grace that after donating without restriction to the Federal Government the Muscle Shoals property, which cost the Alabama Power Co. approximately a half million dollars, we should now be criticized by Senator LENROOT and others in connection with Muscle Shoals affairs concerning which Alabama Power Co. has no interests other than the general interest of all other citizens of the country in this important development. Alabama Power Co. did not get one cent from the Federal Government for the Muscle Shoals property. If Senator LENROOT refers to Mr. Worthington as representative of this company in Washington, beg to say he does not represent us, nor have we any connection of any kind with him or Mr. Washburn.

R. A. MITCHELL,

Vice President and Treasurer Alabama Power Co.

I felt, Mr. President, in view of what has been said here about the Alabama Power Co., that this telegram should go into the Record. I want to say here that since I have been in Congress I have never known of any other measure that has had so many misleading representations made about it as have been made against the pending measure. Misrepresentations have been made as to the money required to complete the Wilson Dam at Muscle Shoals. The highest estimate of the cost necessary to complete the Wilson Dam is \$45,000,000. We have already appropriated or made available \$17,000,000, \$12,000,000 have been expended and \$5,000,000 more are available, leaving about \$28,000,000 more to complete the whole project.

It seems to me, as I have said here before, that it would be a shortsighted policy for Senators to undertake to abandon this work at Muscle Shoals and lose all of the eighty-odd million dollars that has been invested in this mighty project in order to prevent, perhaps, an additional appropriation at some future time of maybe \$10,000,000 more. Would Senators permit the whole eighty-odd million dollars to be thrown to the four winds rather than appropriate a little more money, if need be, to complete the project?

Let Senators ponder well that when they vote to take this bill away from the Senate and return it at this late date to the Committee on Agriculture and Forestry, they are voting contrary to the interests of the great agricultural industry of the United States.

Here is a measure indorsed by the Secretary of War, by various officers of the War Department. It is approved by the Secretary of Agriculture and indorsed by the great organizations of farmers throughout the country, and no legitimate reason has been given for the butchery of the bill as is proposed by the

motion of the Senator from Wisconsin [Mr. LENROOT]. Why not have a vote by the Senate on the various provisions of the bill? Why try to dodge the issue by referring the bill back to the committee? I will vote for some of the amendments suggested. I am in hearty agreement with my Republican friend, Senator GRONNA, who is supporting the bill, in the matter of making it certain that our farmers shall obtain fertilizers to be produced at this plant, and I will vote for an amendment to safeguard this point. The operation of this plant will enable us to accurately determine the cost incurred in manufacturing fertilizers and whether or not farmers are being charged an exorbitant price.

Who is it that is here fighting the measure? The Senator from North Dakota has told us—the president of the Fertilizer Association of America. Is he disturbed lest the Government shall ascertain the truth as to what it costs to produce fertilizer? Some strange things have happened in connection with the efforts to secure this legislation. There are some field guns hidden off somewhere amongst the cliffs where we can not see them, and, of course, we are unable to tell positively who it is that is operating them. They are sending Senators anonymous letters, unsigned, assailing and bitterly opposing the measure now before the Senate. Why do they not come out from under cover and let the country know just who they are?

A few days ago I called attention to the fact that some mysterious individual, supposed to be stopping at the Willard Hotel, by the name of Hampden Norman, had assailed the project at Muscle Shoals, and I challenged the opposition to produce him. I denied then that such a man existed. I charge now that no such man is in existence, and that the statement was a fake. That is a nice way to undertake to influence legislation in the great Senate of the United States. I am not charging Senators on the other side with having anything to do with it, but I am charging that some one outside, very vitally interested in the defeat of this measure, is doing it. Who is Hampden Norman? They have failed to produce him. I charge that he is a fictitious person and that some fertilizer trust or powder king is seeking, through Hampden Norman in the columns of a Washington paper, to injuriously affect the pending legislation.

Let Senators remember that when they vote against the bill they are voting to deny the United States Government the opportunity to free itself from dependence for nitrate upon a foreign country. There is no escape from this conclusion.

The Senator from Wisconsin [Mr. LENROOT] asked the Senator from North Dakota [Mr. GRONNA] if they complete the construction and do not want to operate it, whether he would favor leasing it to some one. The Senator said they might lease it rather than let it stand idle. The Senator from Wisconsin seems to want it to stand idle, according to his statement. I prefer to lease it rather than have it stand idle and rust out and be of no benefit at all to the Government. I would rather lease it to some one who would take care of it and keep it in running order and pay the Government something for it than to silence it to the great joy of the fertilizer trust.

Mr. LENROOT. Mr. President—

Mr. HEFLIN. I yield to the Senator from Wisconsin.

Mr. LENROOT. Do I understand the Senator from Alabama to say that he is in favor of giving the corporation power to lease the nitrate plant to the fertilizer trust if it sees fit to do so?

Mr. HEFLIN. No; the Senator does not understand me to say that, but I do say that if, when it is completed, the Government should then find that it does not desire to operate it, it should have the right to lease it to some one, and the Government should be the judge as to the party to whom it would lease it. But I would not permit the fertilizer trust or any other fertilizer arrangement in the country to silence this great industry and let the plant rust away and make every dollar put into it a complete loss to the Government of the United States. I am pleading for the completion of the plant and for its utilization in behalf of the Government itself and the farmers of the country.

The President of the United States, the Commander in Chief of the Army and Navy, at the high tide of the war called upon the Government to build this very plant at Muscle Shoals, and to build it speedily. They have nearly completed it. Now, strange to say, some Senators seem willing to throw away all that has been expended and destroy the Government's opportunity to have and own a great nitrate plant. Let us work it out and make the Government independent of fertilizer concerns that make the nitrate in time of war, and of the Chilean fertilizer trust, a foreign concern, that holds this Government dependent upon it in time of war for the mightiest agency in modern warfare—explosive power. By the passage of the measure we can supply the farmers with cheaper fertilizer; we can in-

crease the productivity of the soil; we can conserve the coal supply; we can deliver the farmers from the clutches of the fertilizer trust, and free the Government from dependence upon Chile for nitrates. I trust that Senators will vote against the motion of the Senator from Wisconsin to recommit the bill. I feel that a vote to recommit this bill at this late date when the session is nearing the close is a vote against the interests of agriculture and a vote against the highest and best interest of the whole people of the United States.

RECESS.

Mr. GRONNA. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, January 11, 1921, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, January 10, 1921.

The House met at 12 o'clock noon.

Rev. G. Ellis Williams, pastor of Petworth Methodist Church, Washington, D. C., offered the following prayer:

Almighty God, our Heavenly Father, Thou who art the giver of every good and perfect gift, we thank Thee for this day and for its opportunities of service. Lend us Thy grace, Thy wisdom, and Thy guidance in everything that shall be undertaken. We ask it in Jesus' name. Amen.

The Journal of Saturday, January 8, 1921, was read and approved.

INAUGURAL CEREMONIES.

Mr. CANNON. Mr. Speaker, I call up Senate joint resolution 237, covering the inaugural ceremonies, which has been reported from the Committee on Appropriations this morning, and ask unanimous consent for its consideration in the House as in Committee of the Whole under the five-minute rule.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration in the House as in Committee of the Whole of a joint resolution, which the Clerk will report.

The Clerk read the title of S. J. Res. 237, to enable the Secretary of the Senate and the Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States on March 4, 1921.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. GARD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Ohio makes the point of order that no quorum is present.

Mr. CANNON. Will the gentleman let us see whether it will be necessary to have a rule to consider this, or whether we can secure unanimous consent for its consideration, before he makes the point of order? Then, when we come to the consideration of it he can make the point of order if he desires.

Mr. GARD. My only object in making the point is for the purpose of getting a sufficient number of Members here to be advised of the gentleman's request. I will withhold it.

Mr. BLANTON. Mr. Speaker, I understand that the gentleman from Illinois will give me 10 minutes' time. I am opposed to this resolution.

Mr. CANNON. The gentleman no doubt will get consent for the 10 minutes. As far as I am concerned, I have no objection.

Mr. BLANTON. The gentleman will have charge of the resolution, and I should like that much time in general debate.

Mr. CAMPBELL of Kansas. The gentleman can take five minutes under the five-minute rule and get an extension, without objection.

Mr. CANNON. I will amend the request so as to include the request that the gentleman from Texas shall have 10 minutes.

The SPEAKER. Is there objection?

Mr. RAYBURN. Reserving the right to object, I should like to have the resolution read.

The SPEAKER. The Clerk will report the joint resolution.

The Clerk read as follows:

Resolved, etc., That to enable the Secretary of the Senate and the Clerk of the House of Representatives to pay the necessary expenses of the inaugural ceremonies of the President of the United States, March 4, 1921, in accordance with such program as may be adopted by the joint committee of the Senate and House of Representatives, appointed under a concurrent resolution of the two Houses, including the pay for extra police, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, \$50,000, or so much thereof as may be necessary, the same to be immediately available.